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Daily Report

Latin America

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Daily Report
Latin America

FBIS-LAT-94-142 *25 July 1994*

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Central America Promises To Accept Haitians

PA2307202894 Hamburg DPA in Spanish 1642 GMT 23 Jul 94

[Text] Tegucigalpa, 23 Jul (DPA)—The Central American nations have agreed to welcome Haitian refugees to their countries in response to a UN request for humanitarian aid for the Haitian population and as a combined effort of the Central American region.

In a press release issued today, the presidents of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama voiced their "commitment to peace, development, and democracy in the region in the face of human suffering caused by the lack of democracy, the breakdown of constitutional order, and continuous human rights violations that obstruct democratic development in the American hemisphere."

In their statement, the regional leaders voiced their conviction about "the need for united action to improve the situation of the Haitian population by reaffirming the Declaration of Panama on the restoration of democratic institutionality in Haiti."

The document on the region's commitment to welcome Haitian refugees in Central American countries stated that this effort "facilitates the temporary acceptance of refugees of Haitian origin in keeping with the terms, deadlines, conditions, and the number of refugees determined by each Central American country, while taking into account the impossibility of implementing this in states where peace negotiations are still pending or where the people are still suffering the consequences of domestic armed conflicts."

The declaration of the six regional presidents stated that those nations capable of welcoming Haitians will offer basic services to assist the Haitian refugees, including an integrated health system and technical agricultural training.

In conclusion, the communique voices the support of the Central American presidents for the resolutions adopted by the UN Security Council and OAS policies on Haiti.

Honduran Presidential Communications Director Carlos Calderon distributed the communique in Tegucigalpa this morning.

AEC Holds Founding Meeting, Discusses Haiti

Salinas Praises Founding

PA2407191894 Mexico City NOTIMEX in Spanish 1800 GMT 24 Jul 94

[By Martha Trujillo]

[Text] Cartagena de Indias, 24 Jul (NOTIMEX)—Mexican President Carlos Salinas de Gortari today said the Association of Caribbean States (AEC), which has been founded in this Colombian port city, is a basic step in the region's integration process.

"Those of us in Latin America have always insisted that we are profoundly linked to the Caribbean region," the Mexican president said after reaffirming the commitment of the Group of Three—Colombia, Mexico, and Venezuela—to consolidate the region's integration.

Salinas, who was received by Colombian Foreign Minister Noemi Sanin and Nobel laureate Gabriel Garcia Marquez, said the presence of regional heads of state in Cartagena de Indias shows an important step is being taken in this direction.

At a ceremony held at the Convention Center in this historic city, the presidents, prime ministers, and heads of state and government of the Caribbean countries signed the AEC Charter, thereby creating an association for consultation, concerted efforts, and cooperation among the nations of the region.

"The outlook I see here is very positive," the Mexican president said when referring to today's summit, which is seeking to promote expanded economic opening for trade and investment in the region.

As for the situation in Haiti, Salinas said: "We have been very clear in our position at the United Nations and in various regional forums. It is necessary for Latin America to take steps as a whole in favor of democracy and freedom."

The Mexican president, who will remain for six hours in this Caribbean port city located 1,200 km north of Santa Fe de Bogota, today received the new organization's support for his candidacy to head the World Trade Organization (WTO).

Gaviria Urges Efforts Against Drugs

PA2407201294 Hamburg DPA in Spanish 1817 GMT 24 Jul

[Text] Cartagena de Indias (Colombia), 24 Jul (DPA)—Colombian President Cesar Gaviria today called on the international community to help wipe out drug trafficking, and he invited his Caribbean colleagues to increase their cooperation in achieving this end.

Gaviria gave two speeches today—one in Spanish and the other in English—during the founding ceremony of the Association of Caribbean States (AEC) held at the Cartagena de Indias Convention Center.

In his first speech in English, Gaviria argued that the world's nations must increase international cooperation to stop the drug mafias and to eradicate money laundering. These two crimes are causing considerable damage to Colombia and other nations with coasts on the Caribbean Sea, because the drug mafias are using these nations as points of origin and bridges to ship drugs

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to the United States and Europe, and because their banks are increasingly being used to launder money obtained from illegal activities.

In his speech in Spanish, the Colombian head of state highlighted the AEC's advantages in furthering development and integration. He said its members should promote the modernization of their states and territories to gain access to opportunities that will increase social benefits.

Gaviria, who will turn the government over to President-elect Ernresto Samper on 7 August and then assume the position of OAS secretary general, also praised the increasing trade relations in the Caribbean region. He said he considers the AEC to be another step toward the establishment of a vast free trade zone in America—one that will stretch from from Alaska to Patagonia—and he added that this task should be concluded before the 21st century begins.

Leaders Call For Democracy in Haiti

PA2407235594 Paris AFP in Spanish 2001 GMT 24 Jul 94

[Report by Special AFP correspondent Pablo Rodriguez]

[Text] Cartagena de Indias, Colombia, 24 Jul (AFP)—The Association of Caribbean States (AEC), with 37 member countries, was inaugurated on Sunday in Cartagena with a summons to restore democracy in Haiti by returning deposed constitutional President Jean-Bertrand Aristide to power.

Colombian President Cesar Gaviria, host of the event, said "we will not rest until democracy is restored in Haiti."

Barbadian Prime Minister Lloyd Erskine Sandiford, speaking on behalf of all AEC countries, urged the members of the new bloc to unite to restore democracy in Haiti. He encouraged the 37 AEC countries to "strongly reject the violation of human, economic, and social rights in that country."

Haiti is also a member of the new AEC and was represented in Cartagena by Foreign Minister-in-exile Claudette Werleigh.

Neither Gaviria nor Erskine said which mechanisms must be used to pressure for Aristide's return to Haiti, while separate statements by certain AEC presidents showed clearly that there is no unified, solid position.

Venezuelan President Rafael Caldera, who also came to Cartagena, told reporters that although Venezuela wants democracy restored on the Caribbean island, it would not support any eventual forceful action even if it were supported by an international body like the United Nations.

Caldera, who spent only a few hours in the colonial resort, said we must "exhaust ad infinitum every diplomatic resource without resorting to an invasion."

The Colombian president, emphasizing the importance and goals of the AEC, said that one answer would be to "overcome bipolarity and create a new, more complex order with the coexistence of multiple economic, cultural, and political blocs."

"Within this context the Caribbean, like the EU or the Asia Pacific region, constitutes one of those new poles of economic, political, and, of course, cultural influences with which we are redefining the international system."

Gaviria said the AEC establishes an alliance among 200 million people in 25 states and 12 dependent territories, the combined economies of which total a GDP of $500 billion and an annual foreign trade of $180 billion.

Within this context, Gaviria, who will be OAS secretary general after turning over the government on 7 August, renewed his proposal to promote from that hemispheric forum the creation of a free trade zone from Alaska to Patagonia.

The Barbadian prime minister said the AEC "will be the appropriate forum to discuss problems, escape underdevelopment, and move toward sustainable development."

He said that cooperation is the most efficient means of achieving this goal and urged the 37 countries in the new bloc "to forge a closer relationship and work side by side."

Upon underscoring the AEC's importance, the prime minister said the organization will be the fourth largest bloc in the world and will represent the vote of 25 nations at the United Nations.

"We are going to turn our region into a region of peace and democracy," Sandiford concluded.

Parlatino President Opposes Invasion of Haiti

PA2207190194 Hamburg DPA in Spanish 1642 GMT 22 Jul 94

[Text] Caracas, 22 Jul (DPA)—As a Latin American Parliament [Parlatino] meeting began here, Parlatino President Humberto Celli today said in Venezuela that a military invasion of Haiti must be avoided, because only a political solution will allow constitutionality to return to the Caribbean nation.

Celli reiterated the position of the regional legislative body, which has always objected to conducting military operations to resolve political crises, adding that the disapproval of foreign intervention in Port-au-Prince does not mean we are supporting General Raoul Cedras, who headed a military coup to oust constitutional President Jean-Bertrand Aristide in September 1991.

"We are condemning Gen. Cedras, and we are asking that new elections be held," said Celli, who is a Venezuelan deputy for the Democratic Action Party (AD) and former president of the Venezuelan Chamber of Deputies.

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The Parlatino today began a meeting in Caracas, whereby its Board of Directors and the women's, social debt, and legal affairs commissions will review the work of Parlatino, which was founded in 1964 to promote regional integration.

Legislators Juan Gonzalez Gaviola (Argentina), Ricardo Marcenaro Frers (Peru), Ricardo Lugo Rodriguez (Paraguay), Gloria Moreno de Lopez (Panama), and Ricardo Alarcon (Cuba), among others, are attending the meeting in Caracas.

Further on Celli Remarks

PA2307003994 Caracas Union Radio Network in Spanish 2226 GMT 22 Jul 94

[From the "Union Radio News" newscast]

[Text] The Latin American Parliament [Parlatino] Board of Directors and the special commissions on legal affairs, women, and social debt were officially installed in Caracas on Friday. The organization will meet for three days. During his opening speech, Parlatino President Humberto Celli addressed the position the organization will adopt with regard to Haiti and Cuba:

[Begin Celli recording] I believe we must avoid an invasion. We suggest finding a political solution and calling general elections to allow peace to return to this extremely battered nation, which is under the control of General Raoul Cedras. We strongly condemn Cedras and request he promote an atmosphere that will allow the reinstatement of institutionalism in Haiti. [end recording]

Regarding the Cuban situation, Celli spoke of the need to give Cuba certain incentives to improve the quality of life on the island. He also said that the trade embargo must cease and that Cuba must become a member of the international organizations, particularly the Latin American groups.

Latin Ministers Back Aristide in Mexico

PA2307154294 Mexico City NOTIMEX in Spanish 0833 GMT 23 Jul 94

[Text] Mexico City, 23 Jul (NOTIMEX)—Delegates attending the Ninth Conference of Ministers and Heads of Planning of Latin America and the Caribbean have expressed support for Jean-Bertrand Aristide in his struggle to regain power and restore democracy in Haiti.

During the closing ceremony held at a local hotel, the 20 delegates signed a letter in which they stated their hopes for "a prompt return to a democratic government that facilitates socioeconomic development to benefit all Haitians."

Haitian delegate Pierre Lelong, who attended on behalf of the Haitian minister of planning and external cooperation, discussed the current political, economic, and social situation in Haiti. Lelong said less than 10 percent of all schools in Haiti's educational system are public and illiteracy rates are nearly 70 percent. The Haitian state, he added, has not built one single hospital in the country with its own resources in the past 40 years. Meanwhile, there is one soldier for every 1,000 inhabitants but only 1.8 doctors for every 10,000 inhabitants.

De facto President Emile Jonassaint currently rules Haiti following a coup d'etat led by General Raoul Cedras against the constitutional government of Jean-Bertrand Aristide in September 1991. Lelong said: "The nation of Haiti faces the historic responsibility of thinking in terms of national reconstruction and the complete transformation of the political, economic, and social situations, but first we must restore democracy in the country."

Lelong ended by saying the crisis in Haiti is an old one that became more evident when the Cold War ended and when the international community began to deem the existence of military dictatorships intolerable.

Banana-Producing States Discuss 'Marketing Strategy'

PA2307045094 Panama City ACAN in Spanish 1657 GMT 21 Jul 94

[By Juan Ramon Rojas]

[Text] San Jose, 21 Jul (ACAN-EFE)—The Latin American countries that produce 76 percent of the world's bananas are facing new challenges: an overproduction of almost 1 million tons of produce a year and the lack of consensus to negotiate a deregulation of the market with the European Union.

A meeting to agree on a "marketing strategy" was held in Costa Rica on 20 July and ended with the sole agreement to hold two additional meetings, one in Nicaragua, the other in Ecuador, and the usual declarations of solidarity and regional integration.

After the Costa Rican meeting, Latin American government spokesmen agreed more work is needed to reach a joint policy in the medium term to confront the quota system, which the EU implemented a year ago.

The Latin American countries assumed a position to face Europe until April. The bloc, which had struggled to stop the EU from imposing a quota system, split in two groups at that time: Costa Rica, Colombia, Venezuela, and Nicaragua on one side and Guatemala, Honduras, Panama, and Ecuador on the other.

This division took place after Europe offered to slightly improve the quota system, an offer that was accepted by the former group and rejected by the latter group, whose members, who restated their position in San Jose yesterday, demand the complete deregulation of the market.

Costa Rican President Jose Maria Figueres, who attended the meeting along with his Honduran counterpart, Carlos Roberto Reina, said the banana-producing countries could make "specific" proposals at the 3

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August meeting in Nicaragua, proposals that would make the banana market unambiguous.

"The main concern about reaching a consensus in Latin America has been left in the air," said the president of Costa Rica, the country that gains the most from the new European offer, because it will supply 23.4 percent of the 2.1-million ton annual quota.

Costa Rica is the world's second largest banana producer (17.68 percent of the world's supply), following Ecuador (23.87 percent of the world's supply), which, according to the EU quota system, will supply only 20.2 percent of the European demand.

President Figueres has hinted, however, his country will not renounce the agreement signed with the EU in April 1994 unless Europe is unable to implement it on 1 October, as scheduled. There are many unofficial reports on this eventuality.

Juan Jose Echeverria, Colombian deputy Foreign Trade minister, has said "major disagreements" are still lingering, because countries such as Ecuador are advocating a complete deregulation of the banana market.

He has said "Colombia believes we can make some progress with the new EU trade system."

Ecuadoran Foreign Minister Diego Paredes has emphasized "we believe the assigning of quotas is not the best mechanism," adding the solution lies in the complete deregulation of the European market, the world's largest market.

The EU restrictions on the purchase of Latin American bananas to protect former European colonies, known as the ACP (Asian, Caribbean, and Pacific Rim) countries, and its own production have triggered an immediate crisis on the world's banana market, a crisis that is keeping banana producers worried.

According to a document evaluated at the 20 July meeting, the U.S. market "is already saturated" due to restrictions imposed by the European market, thus prompting prices "to break a six-year record."

The 18-kg box of the best brands of bananas costs $4 in the United States, which represents 31.2 percent of the world's demand, and $5 in European markets outside the EU.

All banana-producing countries recognized there is an overproduction (911,000 tons per year) due to EU restrictions; difficulty in solving this problem lies, however, at the time production is "reorganized."

The Ecuadoran foreign minister has said his country has made a sacrifice on its quota by reducing by 11,000 hectares the less productive land.

Meanwhile, Cesar Pereira, Panamanian agricultural development minister, has said his country, which supplies only 6.32 percent (706.932 tons) of the world's demand, has not increased its area of production in the last five years, as other countries have.

The Costa Rican president failed to disclose his country's position on overproduction, although he admitted the market must be adjusted.

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Cuba

Castro Holds News Conference Upon Arrival in Cartagena

PA2407141894 Havana Radio Havana Cuba in Spanish 1300 GMT 24 Jul 94

[Report by Pedro Otero on a news conference with President Fidel Castro with unidentified reporters in Cartagena de Indias, Colombia, on 23 July; from the "Morning Information Review" newscast]

[Text] Cuban President Fidel Castro has asserted that today's establishment of the Caribbean States Association [AEC] is an advancement and a rapprochement toward integration with the nations of the region and that the [word indistinct] to the association is part of Cuba's struggle against the U.S. blockade. The Cuban head of state made these statements after arriving at the Cartagena de Indias, Colombia, airport at midnight on 23 July. The ceremony to establish the AEC will be held in this city, and the association will comprise 21 sovereign states and 11 dependent territories. Journalist Pedro Otero has this report from Cartagena de Indias:

[Otero] Today, 24 July, which is also the 211th anniversary of the birth of Liberator Simon Bolivar, a new step is being taken on the long road to further the still nascent Latin American integration process. Soon, the presidents and prime ministers of countries whose coasts border the Caribbean Sea will sign the act that creates the AEC here in Cartagena de Indias. The ceremony starts at 1030 [1530 GMT] with the arrival of the statesmen at the Convention Center, where [words indistinct] of the flags, they will be received by Colombian President Cesar Gaviria.

Half an hour later, according to the scheduled program, they will proceed to sign the act to create the AEC, and President Gaviria will then give a speech. In representation of the AEC signatory nations, Lloyd Erskine Sandiford, the prime minister of Barbados and president of Caricom [Caribbean Common Market], will also give a speech.

Later, the Colombian head of state will host a luncheon for his guests at the San Juan de Manzanillos Fort presidential residence, where the Colombia-Caricom Free Trade Agreement will be signed. The statesmen will then return to their respective countries, according to the program distributed to the media.

Some 10 presidents arrived in Cartagena de Indias last night, including Cuban President Fidel Castro, who was accompanied by Cuban Foreign Minister Roberto Robaina and Foreign Trade Minister Ricardo Cabrisas.

The chief of the Cuban Revolution spoke with the media upon his arrival at Las Americas Hotel, saying he was honored to be taking part in the creation of the AEC on the 211th anniversary of the birth of Liberator Simon Bolivar:

[Begin recording] [Reporter] [Words indistinct]

[Castro] I am very honored to be taking part in the signing of this agreement on the birthday of Bolivar. I believe we are fulfilling part of our commitment with him.

[Reporter] The topic of Haiti is not part of the official agenda. Nevertheless, what is your position in light of the serious situation on the island?

[Castro] The situation is complex, but I would like to see the Haitians resolve their own problems.

[Reporter] [Words indistinct] opening up to a dialogue?

[Castro] We are quite open.

[Reporter] [Words indistinct]

[Castro] We want to contribute to integration and the unity of our peoples in the Caribbean and Latin America.

[Reporter] [Words indistinct]

[Castro] So many things are happening in today's world that we always expect a lot from everything, but if we only achieve part of what we expect, then the effort is worth it.

[Reporter] Commander, a great deal of emphasis has been placed on the fact that this is a heterogeneous and pluralistic association. Does this mark a watershed in today's international situation?

[Castro] We are all heterogeneous and pluralistic in nature, because all human beings that come into the world are heterogeneous. We do not believe in the theory of a pure race or a pure system.

[Reporter] Mr. President, why are you wearing olive green again?

[Castro] I was dressed like this the previous time.

[Reporter] Are you going to wear a guayabera shirt tomorrow?

[Castro] I think so.

[Reporter] The heat in Cartagena de Indias requires it.

[Castro] There has been such a great scandal over the guayabera shirt. Friends are now giving me lots of guayabera shirts.

[Reporter] The history of the guayabera shirt is very interesting.

[Castro] It is very interesting, and I believe the shirt was born here in the Caribbean, but, well, a treaty cannot be signed with a guayabera shirt. [end recording]

[Otero] Fidel Castro has visited Colombia on three occasions as head of state. The first time was last year, in

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1993. The last time he was here was to attend the Fourth Ibero-American Summit held in Cartagena de Indias in June.

Cited on Embargo, Haiti

PA2407132794 Havana PRENSA LATINA in Spanish 1124 GMT 24 Jul 94

[Text] Cartagena de Indias, Colombia, 24 Jul (PL)—President Fidel Castro has said, for Cuba, the creation of the Association of Caribbean States marks a step forward, a rapprochement, and a move toward integration with the countries of the region to which Cuba belongs.

In a dialogue with journalists after arriving in this Colombian city around midnight Saturday [23 July], Castro also said the new association is part of his nation's struggle against the U.S. blockade.

Asked by PRENSA LATINA about the agreement's signing coinciding with the 211th anniversary of the birth of Liberator Simon Bolivar, Fidel Castro said it is a great day. He said: "It is very moving for me to be here at a time in which this birthday is being celebrated."

He added that with the step taken today by 25 sovereign states and 11 dependent territories of the UK, the Netherlands, and France, we are "fulfilling part of our commitment with him (Bolivar)."

The Cuban leader pointed out that his country's decision is "to contribute to the integration of the Caribbean and Latin America," and he added: "So many things are happening in today's world that we always expect a lot from everything, but if we only achieve part of what we expect, then the effort is worth it."

Asked whether he believes the association marks a watershed in international politics because of the heterogeneous nature of the association, the Cuban leader said: "We are all heterogeneous and pluralistic in nature, because all human beings that come into the world are heterogeneous. We do not believe in a pure race. Pure systems do not exist, either."

Asked whether he will attend the swearing-in ceremony of the new Colombian president, Ernesto Samper, on 7 August, he said: "It all depends on the work we may have to do, but I would like to attend."

As for Haiti, he said: "The situation is complex, but I would like to see the Haitians resolve their own problems."

As for the situation in Cuba, he said: "There is much work to be done and many difficulties, but we are fighting and prevailing."

Fidel Castro was accompanied by Cuban Foreign Minister Roberto Robaina, Foreign Trade Minister Ricardo Cabrisas, and other officials.

Discusses Importance of AES

PA2507014394 Havana PRENSA LATINA in Spanish 2334 GMT 24 Jul 94

[Text] Cartagena de Indias, 24 Jul (PL)—Cuban President Fidel Castro said today that the establishment in Cartagena de Indias of the Association of Caribbean States (AES) constitutes the first serious bridge between Latin America and the Caribbean.

In statements to Mexican reporters after signing the treaty establishing the AES, Castro said the treaty "is a small but very honorable step toward the integration of Latin American and Caribbean countries."

"Since Cuba is always excluded from everything because that is the wish of those who rule this world, the fact that I was invited to participate constitutes in itself a great satisfaction for my country and compels me to work for the success of this institution," he stated.

Castro added that previously Latin America and the Caribbean had been slightly estranged. He said the Caribbean countries need integration the most because they are small and because they are islands, which creates difficulties in terms of communication and everything else. Life is just more difficult for them.

"Therefore," he said, "I must say in all fairness that they have championed integration. They have been much more concerned about integration than the Latin American countries," which are represented in the AES by Mexico, Colombia, Venezuela, the Central American nations, the Dominican Republic, Haiti, and Cuba.

In response to another question, Castro said that for Cuba this step "means obligations. I would say it fosters Cuban openness in the economic sphere because we must attempt to gradually establish a certain uniformity in our affairs."

Asked if this would mean increasing efforts toward a free market, Castro said toward a certain market. There is no such thing as a free market, he added, because of tariff and nontariff restrictions, protectionist measures, and the existence of very powerful monopolies around the world.

Castro also confirmed his opposition to an invasion of Haiti "because it would not," he said, "definitively resolve the Haitian problem."

Text of News Conference

FL2507021994 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 25 Jul 94

[News conference by President Fidel Castro with unidentified correspondents at Rafael Nunez Airport, in Cartagena de Indias, Colombia, on 23 July; from the "NTV" newscast—recorded]

[Text] [Correspondent] Welcome.

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[Castro] I did not expect to return so soon. This meeting had not yet been planned when I left last time. However, it made me very happy to find out that Cartagena was selected to host the meeting marking the founding of the Association of Caribbean States [AES] because I feel like family in Cartagena.

[Correspondent] Commander, tomorrow is the anniversary of the Simon Bolivar's birthday.

[Castro] It is very exciting for me to be here at this moment.

[Correspondent] Will you attend President Samper's inauguration?

[Castro] That has yet to be seen. It all depends on my workload, but I would like to.

[Correspondent] How are things in Cuba?

[Castro] In Cuba? Much work, many difficulties, but we are struggling and getting ahead.

[Correspondent] Commander, what does the AES mean to Cuba?

[Castro] Progress, a bringing together, integration with the Caribbean and the countries of the Caribbean Basin.

[Correspondent] Is this an opportunity to defeat the economic blockade?

[Castro] It is part of the fight against the blockade. They are waiting for me. Thank you very much for greeting me here.

Author: Castro Wants To Remain in Colombia Until 7 Aug

PA2407225594 Mexico City NOTIMEX in Spanish 2048 GMT 24 Jul 94

[Report by Maria Cortina]

[Excerpt] Cartagena de Indias, 24 Jul (NOTIMEX)—Cartagena, a port in Caribbean Colombia, is the adopted land of Nobel Prize winner Gabriel Garcia Marquez and one of the favorite places of Cuban President Fidel Castro, a close friend of the novelist.

"Last night in a bar Fidel told me of his desire to remain a few days in Cartagena because he loves the place," Garcia Marquez commented at the meeting to inaugurate the Association of Caribbean States (AES).

The writer denied reports spreading throughout the press room of the convention center where the event is being held that he had invited the Cuban president to stay at his home in Cartagena for a few days.

"I never invited him. It was he who said he would love to stay here until the presidential inauguration," said Garcia Marquez, who nevertheless admitted that "I would gladly have invited him."

The Colombian people will have a new president on 7 August, when Cesar Gaviria presents the sash to Ernesto Samper during a ceremony to which several heads of state and government have been invited, including Fidel Castro. [passage omitted]

Alarcon Leads Delegation to Parlatino Meeting

PA2107212394 Havana PRENSA LATINA in Spanish 1759 GMT 20 Jul 94

[Text] Havana, 20 Jul (PL)—It was officially announced here today that Ricardo Alarcon, president of the National Assembly of the People's Government [ANPP] will be leading a delegation that will participating in a Latin American Parliament [Parlatino] meeting scheduled in Caracas, Venezuela, from 22 to 24 July.

The meeting will be examining issues such as the social debt and the status of women, families, and childhood, among other issues. A Parlatino Board of Directors meeting is also scheduled.

The special commission on social debt will attempt to identify and highlight the extent of economic and political measures in national income distribution, as well as resources earmarked for welfare and health.

The participants will also outline the region's common position, called Parlatino's Social Letter, with a view to the world summit on population and development to take place this coming September in Egypt.

The commission responsible for evaluting the women's situation will examine the Latin American agenda with a view to the international conference in Beijing, China, scheduled for 1995.

In addition, the Cuban delegation is made up of Ramon de la Cruz Ochoa, president of the Constitutional and Judicial Issues Committee, Economic Commission President Osvaldo Martinez, and Yolanda Ferrer, president of the Foreign Relations Standing Committee. The Cuban delegation also includes Havana historian and Parliamentarian Eusebio Leal and Deputy Lazaro Barredo.

Parlatino President Opposes Invasion, Blockade

FL2307013294 Havana Radio Rebelde Network in Spanish 2300 GMT 22 Jul 94

[Text] Parlatino President Humberto Celli has urged a halt to invasion of Haiti and demanded that peaceful regional formulas be found. At the opening of the Parlatino session, Celli urged the Parlatino to declare its opposition to the military option to solve the Haitian conflict and called for new elections to promote the return of peace to Haiti. The Venezuelan legislator stated: We emphatically condemn the military junta in power and ask them to promote a climate fostering institutionality in Haiti. He stated this before more than 30 legislators from the region who are attending the meeting in the Venezuelan congress.

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Regarding Cuba, Celli stated that the Parlatino will declare its position on the relevance of offering incentives to Cuba that might result in better living conditions, and called for an end to the blockade that for decades has kept Cuba beyond the reach of Latin American markets and any form of aid. He added: We will likewise request that Cuba be gradually incorporated into international organizations, particularly in this region.

Robaina Departs for AES Creation in Colombia

FL2307001494 Havana Radio Rebelde Network in Spanish 2300 GMT 22 Jul 94

[Text] Foreign Minister Roberto Robaina departed this afternoon for Cartagena de Indias, Colombia, to participate in the creation of the Association of Caribbean States, AES, on 24 July. The AES will bring together members of Caricom, the Central American Integration System, and G-3, which comprises Mexico, Colombia, and Venezuela.

Robaina stated that the importance of the AES lies in the fact that it will be the manifestation of a fully Caribbean project by the decision of the countries of the region. Robaina reiterated that Cuba needs the Caribbean, but that the region also needs Cuba, given its significant accomplishments in culture, sports, science, and technology.

Vice Minister Notes AES Importance

FL2407233294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 24 Jul 94

[From the "NTV" newscast]

[Text] Representatives from 37 states and territories concluded two days of closed-door meetings in Cartagena de Indias today in preparation for the founding of the Association of Caribbean States [AES]. Debate over the association's operations, organization, and permanent seat continued today, the eve of the AES' founding. A total of 13 Caricom countries support Trinidad and Tobago as the AES seat. The AES will be founded on 24 July, when heads of state and government and other delegations from the 25 member-states sign the AES constitutional accord. The technical debates concluded today. The first high-level delegations are expected to arrive shortly.

This step is decisive in promoting a new era in regional ties. The AES will include a market of 200 million people with an export capability of $1.8 billion. The Caribbean region will now have a different breadth when dealing with the international economic blocs that rule the new world order:

[Begin Cuban Vice Foreign Minister Jorge Bolanos recording; identified by caption] It will simply be an association grouping numerous states with similarities and differences to promote a common approach to regional problems and markets, economic cooperation, and eventually integration. [end recording]

Technological and productive integration is a matter of survival for Caribbean nations that depend on a traditional market aimed at more and more competitive markets. Other possibilities may result from the common use of natural, financial, and human resources:

[Begin Colombian Deputy Foreign Minister Andelfo Garcia recording; identified by caption] Two accords will be signed on 24 July: the AES constitutional accord and a bilateral trade accord between Colombia and Caricom. The AES accord will unite 25 full member-states and 12 associate states. The primary AES goals are integration, cooperation, convergence, and consultation. Therefore, it has political, economic, and commercial goals. [end recording]

The heterogeneous nature of the region, given the different degrees of development, political systems, and languages, is one of the challenges the AES will have to face. Above the diversity of interests, a political will must prevail on the basis of the common features of the Caribbean peoples. To defend this at the current moment would represent a step forward in the search for alternatives to confronting the erosion caused by unfair exchange:

[Begin unidentified speaker recording] Obviously, Cuba is helping to create the AES with the greatest commitment. The cornerstone of Cuban foreign policy is integration with Latin America and the Caribbean. This is an extremely important step in this foreign policy goal. [end recording]

In the midst of the regional situation, the pluralist nature of the AES and its all-encompassing integrationist goals carry a message of coexistence. The call, which will speak for the region in an autochthonous voice, is a precedent that ought to be defended to guarantee the future.

Government Condemns Bomb Attack in Argentina

PA2407150994 Havana PRENSA LATINA in Spanish 0208 GMT 24 Jul 94

[Text] Havana [no date or news agency identifier as received]—In a statement issued by the Foreign Ministry, the Cuban Government today condemned the attack against the Israeli-Argentine Mutual Association last Monday.

The document described as a brutal act of violence the attack carried out in Buenos Aires, in which more than 40 people died and approximately 200 were injured.

The Cuban Government expresses its heartfelt condolences to the Argentine Government and people, absolutely convinced that such acts have no possible justification, the Cuban Government's statement said.

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Health Minister Signs Accord With Ecuadoran Counterpart

PA1907175694 Havana PRENSA LATINA in Spanish 2025 GMT 16 Jul 94

[Text] Havana, 16 Jul (PL)—Cuban Public Health Minister Julio Jesus Teja Perez and Ecuadoran Health Minister Patricio Abad Herrera signed a three-year agreement on collaboration on medical issues here today.

The document that was signed establishes as priorities the following areas of cooperation: control of diseases transmitted by insects; training of human resources; and supply of medicine and medical equipment, including the latter's maintenance.

The ministers also signed a letter of intent proposing the sale of medicine for Ecuadoran plans to fight tuberculosis and parasitical diseases, as well to initiate joint studies for technical assistance in controlling tropical diseases like malaria and dengue fever.

Abat acknowledged that it benefits Ecuador to purchase Cuban products because of their known quality and low cost, compared to products from such countries like Japan. He expressed interest in purchasing the Cuban vaccine against meningococcic meningitis, even though this disease has not been detected in Ecuador.

Mexican Foreign Minister To Visit 19-20 Sep

PA1907201894 Havana PRENSA LATINA in Spanish 0054 GMT 19 Jul 94

[Text] Havana, 18 Jul (PL)—Sources at the local Foreign Relations Ministry have confirmed to PRENSA LATINA that Mexican Foreign Relations Minister Manuel Tello will visit Cuba on 19 and 20 September for an intergovernmental meeting with his Cuban counterpart, Roberto Robaina.

In previous statements to this news agency, Robaina said the purpose of this meeting will be to give continuity to contacts between the two nations, contacts strengthened by the recent visit to Havana by Mexican President Carlos Salinas de Gortari.

Robaina added that all trade and economic agreements between the two nations will be reviewed from the government's viewpoint during the meetings.

The Cuban official pointed out that there are many opportunities, not only for the private sector but also for the public sector, in bilateral trade.

In June, during President Salinas' visit to the island, the two countries signed an important agreement on telephone service. The agreement, which includes creating a joint venture offering national and international service, will require a $1.5 billion investment.

Vice Minister Addresses Planning Chiefs Meeting in Mexico

FL2307000994 Havana Radio Reloj Network in Spanish 1934 GMT 22 Jul 94

[Text] Enrique Martinez, vice economic and planning minister, stated that the people of Cuba will defend their right to follow their own path and preserve the current economic and social system in Cuba. Martinez said this during an address at the meeting of Latin American and Caribbean planning chiefs being held in Mexico. Martinez added that for Cuba, the essential issue is preserving the accomplishments of socialism and increasing efficiency and competitive levels in Cuban industry. In this sense, he pointed out that Cuba's opening and its commercial flexibility are steps toward fostering social justice. Likewise, Martinez stated that the process of mending national finances began to reduce subsidies to state enterprises and reduce by approximately 25 percent the fiscal deficit.

Party Provincial Plenum Replaces Top Leaders in Havana

FL2407204594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 24 Jul 94

[From the "NTV" newscast]

[Text] At the Politburo's request, the Cuban Communist Party [PCC] provincial plenum in Havana has decided to release Comrade Jorge Lezcano Perez from his duties as first secretary. The plenum recognized Comrade Lezcano's efforts in his more than nine years as head of the PCC provincial leadership. Comrade Lezcano will fulfill other duties. Esteban Lazo Hernandez, Politburo member, has been selected to replace Comrade Lezcano. Lazo was released as first secretary of the PCC provincial committee in Santiago de Cuba a few days ago. Juan Almeida Bosque and Jose Ramon Machado Ventura, both Politburo members, chaired the provincial plenum in Havana. Comrade Lezcano will remain in his post until 15 October.

[Mexico City NOTIMEX in Spanish at 0051 GMT on 24 Jul in a similar item reports that Lazo was replaced in his Santiago de Cuba post by Juan Carlos Robinson Agramonte, a 38-year-old sociologist and mathematician who is part of the rising generation of PCC leaders in the party leadership. NOTIMEX also reports that the National Assembly of the People's Government in Havana announced the dismissal of Pedro Chavez Gonzalez, who had held that post for eight years.]

Sinking of 'Hijacked' Tugboat Detailed

FL2307180094 Havana Radio Rebelde Network in Spanish 1155 GMT 23 Jul 94

["Full text" of unattributed article from the 23 July GRANMA: "Bitter Lesson for the Irresponsible"; from the "Doing Radio" program]

[Text] Let us reconstruct events on the morning of 13 July 1994, in which a group of people hijacked the tugboat Trece de Marzo from Havana's port in an attempt to leave Cuba.

Fidencio Ramel Prieto Hernandez was on duty as operations officer of the port authority. Due to his job he was

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aware of how security measures could be avoided. He neutralized the night watchmen with (Colpromasina), a drug used to combat insomnia. The drug mixed with juice put the watchmen to sleep during the hijacking. Prieto Hernandez had access to the key of the lock that kept the tugboat secure to the dock, as well as to the elements used to prevent the tugboat's engine from being turned on. With the complicity of Raul Munoz Garcia, the skipper of another tugboat, they took aboard relatives and friends.

The tugboat that was chosen was made of wood and built in 1879; 115 years old, it was 17 meters long, had a beam of 3.85 meters, and was powered by a 300 horsepower engine. The tugboat was built for a four-man crew: Skipper, engine man, sailor, and cook; the safety measures aboard were only for these four people. The last inspection done on 9 May 1994, confirmed that the boat was to work only within port waters. In previous inspections leaks had been noted. According to the testimony of several survivors, the bilge pump did not work at any time and they noticed water in the boat from the moment they went aboard.

The skipper, Munoz Garcia, brought aboard his relatives, his sister, his girlfriend, his girlfriend's mother, and two of her brothers, and commented to Prieto Hernandez that there were too many people aboard. Through the reconstruction of events taken from the testimony of those that took part it is known that there were 63 people aboard, 31 of whom were rescued.

In his testimony Munoz states: I looked over the side at the depth marker, the flotation line, and saw that it was submerged between seven and eight centimeters. I informed Ramel and he anwsered me: No problem, everthing is all right.

Around 0330 they cast off and with the lights out they headed toward the harbor mouth [la boca del Morro] from the dock known as Salvamento, which is located in front of the Talla Piedra Electric Plant.

The crew of the vessel Mercurio, anchored in the harbor, saw them as they went by. Surprised by the way the tugboat was navigating—the unusual time and without lights—they alerted the enterprise.

The Polargo Cinco tugboat immediately began pursuit. Near the Francesa Divina Pastora dock it reached the boat. The Polargo Cinco turned its searchlights on the Trece de Marzo. The Trece de Marzo replied by turning on its lights but continued to navigate, even though it had been discovered. The Polargo overtook the stolen boat and maneuvered trying to force it to turn back or stop its engine.

Munoz Garcia recalls: When we got near the Francesa dock the tugboat came up on my port side; I backed up and headed directly toward them. I hit him stern first, but they moved away avioding the collision. They were moving, it seemed, as if they were taking care of us. Then I was able to head out to open sea.

The Polargo Cinco, a steel-hulled vessel, avoided colliding with the wooden tugboat.

Eugenio Fuentes Diaz, another survivor states: The beams were cracked, I wanted to jump overboard and the women were screeming for them to stop the enigine. The deck was cracked and raised, it was madness.

Alquimides Venancio Lebrigio, another survivor states: We were not in shape to leave. There were too many people for that ship, it was overloaded; it was too old and made of wood. I thought that it would not hold up, a few miles more and what happened would have happened anyway. When we were discovered we should have turned around or turned the engine off; many deaths would have been avoided.

Three tugboats participated in the pursuit: The Polargo Cinco, which tried to keep the boat from leaving the harbor, and the Polargo Dos and the Polargo Tres, which joined later.

Venancio Lebrigio adds: The jets of water that they were directing towards us were aimed at the bridge. We are all responsible, expect the children, for getting on a craft that was not seaworthy.

The pursuit to prevent the hijacking of the boat that had begun in Havana's bay extended approximately seven miles out to sea. From the tugboats, utilizing the fire extinguishing equipment, they tried to neutralize the smokestack and the bridge, where the skipper was. The Polargo Cinco was in front of the stolen boat, forcing it to slow down; the Polargo Dos was at the stern; the Polargo Tres was off the boat's starboard side. This was the situation when the fatal accident took place, when the Polargo Dos collided with the stolen boat's stern. In a very few minutes the boat sank. It was approximately 0450 of a very dark morning and out in a sea where the waves were at force three.

Two units from the Border Guards, alerted by the maritime enterprise, reached the area and immediately began the rescue.

Frank Gonzalez, another survivor testifies: They threw us lifevests and that saved us. I do not believe that we would have reached our destination. There were children who only do as they are told by their parents. I reproach the parents for taking their children on such an adventure.

Here ends the report that was obtained through conversations with the authorities that are investigating the issue and with some of the people that took part.

The investigations indicate that there was no intention on the part of the three tugboats, in this lamentable accident, other than trying to stop the thieves. It has been clearly proven that the organizers of the hijacking, one of whom died and the other subject to trial, were totally

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responsible. A bitter price has been paid by many of the people that took part; losing close relatives, sons, a sister, and a brother.

Cuba is not opposed to those who wish to abandon the country legally, if that is their wish. We repeat: This is a society of free men and women. It is not Cuba that does not allow departure, but the country of destination that denies legal entry while it recieves like heros those who resort to illegal means. We will not remain impassive in the face of a crime; we will continue to pursue crime. A group of workers from the enterprises acted, directly, defending their interests. They communicated the criminal act to the Border Guards and they assumed the mission of stopping the crime.

A pillar of the Revolution's philosophy is respect for human life. That idea, constantly present, makes it possible for criminals to shield themselves behind innocent people to obtain their goals. The presence of children on board the tugboat is the sole responsibility of those that dragged them on this adventure, of which the organizers were not sure. The mere fact of going out to sea with only four lifevests for over 60 people indicates the degree of responsibility of the perpetrators. If today 31 are still alive it is thanks to the action of those that, in the middle of the night, struggled to save them. We regret those useless deaths. A society that has done so much to save human life deepy feels these losses. In this long struggle we have had to lament crimes, like the one in Tarara were four excellent young Cubans were massacred, murdered by unscrupulous individuals.

Dariel Prieto Suarez, one of the participants, son of one of the oraganizers of this illegal attempt to leave Cuba, who survives his father stated: We made a mistake, the boat would have sunk 40 or 50 miles out. The main shaft was bent, the deck was cracked, it was taking on water; we would have never made it with so many people. The main person responsable was my old man, who is not alive, and the skipper because he had many opportunities to stop the engine. The tugboats that were chasing us never had the intention of sinking us; they wanted to stop us, but not sink us.

From the very moment of the sinking, Border Guard ships began a search operation that is still being maintained by several ships. However, the circumstances of the accident and the depth of the sea in that area have conspired against the possiblity of finding bodies. This is a lamentable event with a bitter lesson. The irresponsibility and the adventurism of its organizers leads to tragedy. Some have already paid with their lives and others will have to pay with a life without life.

Survivors Blame U.S.

PA2407032194 Havana PRENSA LATINA in Spanish 2309 GMT 23 Jul 94

[Text] Havana, 23 Jul (PL)—Survivors of the stolen tugboat that sank 10 days ago and who were illegally traveling to the United States have blamed the U.S. Government for the disaster, which left a total of 32 missing people.

During an interview with Cuban television to which PRENSA LATINA had access before its broadcast, Modesto Almanza, one of the survivors, said: The main culprit is the United States, because it will not give us visas to travel to that country.

The boat, built 115 years ago and which had the capacity for only four crew members, was hijacked on 13 July and sank with 63 people on board approximately 7 miles from the coast, amid high waves and total darkness.

The Cuban Government has the doors open (for the departure of immigrants), but the United States will not give them visas, said Eugenio Fuentes Diaz, whom the Cuban Coastguard also rescued.

Raul Munoz Garcia, one of the people who planned the hijacking, agreed with them.

He added: When you decide to emigrate, Cuba will not be opposed; the problem is in the United States, at the Interests Section (U.S. Interests Section in Havana), because when you tell them you want to emigrate, their reply is no, absolutely not.

In that regard, Almanza said had visas been issued to the illegal immigrants, "they would not have tried to leave by sea, and so many lives would not have been lost."

Asked if he would have gone to the U.S. Interests Section to request a visa, Alquimedes Veneancio Lebrigio, another survivor, categorically said: "I am 101 percent sure I would have been denied a visa."

I do not believe they will treat me as they treat the Haitians if I get there illegally. I believe they would receive me, he added.

Eugenio Fuentes Diaz said he is convinced that had he gone to the U.S. Interests Section, "I will not be allowed to go in."

Frank Gonzalez, another survivor, categorically said: "I believe they are waging a psychological war against us."

Cuba and the United States signed an immigration agreement in 1984 by which Washington is committed to grant up to 20,000 annual visas to Cuban citizens to reside in that country. The number of visas delivered each year is not, however, even one-fourth of that amount, according to local news reports.

Cuba is not the one denying them authorization to leave; the destination country is the one denying them legal entry, while those who choose to arrive illegally are received as heroes, the official daily GRANMA stated today in a long article dedicated to the incident.

Cuba is not opposed, the article stated, to authorizing the departure of anyone who wishes to leave the country legally. We repeat: This is a society of free men and women, GRANMA wrote.

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Castro Emphasizes Reorganizing Domestic Finances

PA2107141194 Havana PRENSA LATINA in Spanish 0948 GMT 21 Jul 94

[Text] Havana, 21 Jul (PL)—Cuban President Fidel Castro considers it key that his country manage to reorganize domestic finances [logre sanear las finanzas internas]. He said this in speaking to a meeting of the Cuban Workers Federation's (CTC) Expanded Secretariat, according to today's GRANMA.

Those at the meeting studied economic efficiency and reorganizing domestic finances [words indistinct] to tax system changes, which the ordinary session of the National Assembly of the People's Government (parliament) will address on 3 August.

They also evaluated some adjustments to the Labor and Social Security Ministry's 1991 Resolution No. 4, which refers to, among other issues, the work [words indistinct] from one to 20 years.

The [words indistinct] cigarettes and alcoholic beverages.

According to GRANMA, the Cuban president spoke several times at the CTC meeting and stressed that it is vital that the measures already taken begin yielding results and, most importantly, reverse the problem of excess money in circulation.

He also said that reorganizing domestic finances is crucial.

Castro pointed out that all efforts to increase production are good but such efforts are subject to the availability of resources and need more time, adding the reduction of excess money can contribute to giving relevance to work and to appraising the currency itself.

Finance and Price Minister Jose Luis Rodriguez reported during the meeting that, in June, the growth of liquidity was halted and amounted to some 245 million pesos (equivalent to dollars according to the official exchange rate); that is, we collected more money than we disbursed.

The morning newspaper reported that this amount is considered [words indistinct].

ANPP Session To Discuss Tax Laws, Granma Province Report

FL2207120394 Havana Radio Progreso Network in Spanish 1100 GMT 22 Jul 94

[From the "First Thing" program]

[Text] The National Assembly of the People's Government [ANPP] will analyze a draft law on the tax system required by the country as part of the measures to put domestic finances on a sound basis. Deputies attending the third session of the fourth term, which is scheduled for 3 August, will also review the report to be submitted by Granma Province, as approved by the ANPP.

The parliament's session will follow the guidelines established in December concerning a systematic analysis of the country's economic situation, which has resulted in the implementation of various economic measures in recent months.

Raul Castro To Head 26 Jul Events

PA2407221394 Mexico City NOTIMEX in Spanish 2115 GMT 24 Jul 94

[Text] Havana, 24 Jul (NOTIMEX)—Government sources announced today that Cuban Vice President Raul Castro will head the 26 July festivities and address the nation in the absence of Cuban President Fidel Castro.

President Castro traveled to Cartagena de Indias, Colombia to participate in today's summit of heads of state and government to establish the Association of Caribbean States (AES).

The Cuban president's trip to the Colombian port was disclosed this morning in a brief front page note in the weekly JUVENTUD REBELDE, which, as usual, abstained from disclosing Castro's itinerary and travel plans.

This is Castro's second trip to Colombia in little more than a month. He also participated in the fourth summit of Ibero-American presidents at the same Cartagena resort on 14 and 15 June.

The government's National Information Agency (AIN) said that Raul Castro will preside over a peoples parade and will deliver the traditional national holiday speech at a massive gathering on the Isle of Youth, 100 km south of Havana.

The president's younger brother is an Army general, second secretary of the Communist Party of Cuba (PCC) Central Committee, first vice president of the Councils of State and Ministers, and minister of the Revolutionary Armed Forces (FAR).

Cuba observes 26 July as a national holiday in commemoration of the thwarted attack on the Moncada Barracks in eastern Santiago Province, which initiated the movement that culminated with the triumph of the revolution in 1959.

The event is celebrated every year in a different province, where President Fidel Castro usually delivers a speech on important national issues and announces relevant decisions made by his government.

The Cuban president was also absent from the country on 26 July 1992 when he attended the second Ibero-American summit in Madrid, the opening of the Olympic games in Barcelona, and the Seville World's Fair.

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In 1992, however, the national holiday was postponed until 5 September, the anniversary of an uprising of marines against Fulgencio Batista's regime in 1957, and it was held in Cienfuegos Province, where Fidel Castro delivered a speech.

Radio Havana Reports on Castro's Comments at CTC Session

PA2307150994 Havana Radio Havana Cuba in Spanish 0000 GMT 22 Jul 94

[Report by Susana del Calvo from the "Evening Information Review" newscast]

[Text] Wednesday, Cuban President Fidel Castro participated in a meeting of the Expanded National Secretariat of the Cuban Workers Federation [CTC]. The meeting was attended by labor leaders from across the country.

Finance Minister Jose Luis Rodriguez and Labor Minister Francisco Linares attended the meeting. Both explained in detail to the workers the proposals on how to cleanse finances. Cuba's parliament will debate these proposals in August.

The tax system was discussed in detail, taking into consideration not only the reduction in excess money in circulation, but also the restructuring of the domestic economy—a necessary step in stabilizing financial imbalances and adjusting the fiscal deficit.

The Cuban Government has found itself forced to adopt readjustment measures in light of the acute economic crisis the country is facing after the markets it had for three decades disappeared as a result of the collapse of the socialist camp.

During the meetings workers held in February and March at labor centers, they proposed the elimination of free services. The new tax system will be implemented gradually once it is approved by the National Assembly.

At the CTC meeting, it was noted that it is necessary to review the level of contributions to social security, which at this moment presents a considerable deficit. This requires a careful analysis that should be made in the future. Social security is one of the achievements of the Cuban Revolutionary Government, which is being defended by the working class at this difficult time.

Fidel Castro said at the meeting that the spirit of the Cuban workers is what has kept the country from being paralyzed despite the lack of resources and incentives.

The Cuban president said that despite the fact that the State Council has been authorized by parliament to approve all measures having to do with the finance sector, the council wants to learn the opinion and recommendations of the workers.

He said that in many places, labor leaders and management are looking for ways to encourage workers. He also said workers are learning quickly in their search for solutions with the scarce resources available.

Fidel Castro recalled that four years ago many predicted that the Cuban Revolution would not survive two months following the collapse of the socialist camp, but, he said, we are up and fighting, and for this reason we deserve victory.

The Cuban president said although we have few economic resources, we still have many moral values, and he added that this is, above everything, a proletarian revolution.

Before ending this report, I should point out that an important matter was announced at the CTC meeting: In June, inflation came to a halt and there was a small decline; that is, the money collected was more than the money issued. We are beginning to see the results of the economic readjustment measures.

Ciego de Avila Oilfield Official on Production Targets

FL2207160294 Havana Radio Rebelde Network in Spanish 2300 GMT 21 Jul 94

[From the "Exclusive" program]

[Text] In Ciego de Avila Province, oilfield workers have achieved the production of 55,000 tonnes of crude oil and, at the same time, had the best extraction rate of the decade.

Jesus Marin, director of the Majagua oil enterprise, stated that 86 percent of this year's goal has been reached. Marin also stated that they were going to pay homage to the 41st Anniversary of the attack on the Moncada Barracks by extracting another 2,000 tonnes of the black gold, therefore, reaching 88 percent of their goal. Marin pointed out that this achievement makes it possible to reach this year's goal, 67,000 tonnes, in August, and continue further production.

Increasing drilling operations and the so-called increased production, meaning increasing the activity at oil wells, are decisive factors in these results.

Lage on Economic Results, Planned Tax Law

PA2007032494 Havana PRENSA LATINA in Spanish 1609 GMT 18 Jul 94

[Report by Silvio J. Mendiandua]

[Text] Ciego de Avila, Cuba, 18 Jul (PL)—Cuban Vice President Carlos Lage has reported that the first month of results following the approval of measures to cleanse the economy are encouraging, albeit insufficient, and he added that a tax law will be implemented.

In exclusive statements to PRENSA LATINA, Lage explained that at the end of June, after increasing prices on nonessential items, the trend of accumulating money was reversed and the state issued less currency notes than it withdrew from circulation.

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The minister of economy and planning, who is also secretary of the Council of Ministers, pointed out that the results for the first month were positive and encouraging, although insufficient, and he announced that additional measures will be adopted to resolve the country's economic problems in a timely manner.

Lage announced that after increasing prices on cigarettes, alcoholic beverages, and fuel, among other products, the next step will be to apply a tax law, which the National Assembly (parliament) will debate in its 3 August session.

Cuba is going through a difficult stage following the collapse of the Eastern Bloc, and this is highlighted by an acute lack of fuel and raw materials, and, in area of finances, by a 4.2 billion peso (equivalent to the dollar according to the official exchange) fiscal deficit.

Lage reported that 200 million pesos were taken out of circulation in June, which, in his opinion, is a small amount compared to the excess of circulating currency, which is estimated at nearly 12 billion pesos.

"We are going to continue working, as has been explained, and the stated principles will be maintained to prevent any family or worker from being left unprotected," Lage said. Lage is 42 years old and a Politburo member of the Communist Party of Cuba.

"The country has a very broad and complete social security system, and these benefits will be permanently guarded," he outlined.

Lage gave this evaluation to PRENSA LATINA after the national meeting of the Basic Cooperative Production Units (UBPC) ended this weekend. At the end of the meeting, Lage said the UBPC's creation had been a good decision, because it provides potential reserves to increase agricultural production.

There was an good exchange of experiences at the UBPC meeting, and the emergence of several positive trends was evident—for example, trends concerning the rational use of manpower, increases in productivity, and the implementation of a policy to motivate producers.

Lage noted that such trends show the UBPC has been working positively and satisfactorily. He, however, alerted that its final results must be evaluated based on increased production—something that has not been achieved in the nine months that have elapsed since the founding of the first UBPC. Today, there are 1,076 in operation.

Lage underscored that three very important measures have been implemented in the agricultural sector over the past months, and he listed the creation of the UBPC among those measures that have yielded the greatest results, along with the promotion of self- sufficiency in associations, farms, cooperatives, and the Armed Forces.

The vice president also stressed the expanded presence of the Youth Labor Army (EJT) in agricultural tasks. He said it was of great importance to the Cuban agricultural sector, because the EJT is a very productive force of men between the ages of 18 and 20.

TRABAJADORES: Economic Measures Do Not Harm Socialism

PA1907040194 Havana PRENSA LATINA in Spanish 1538 GMT 18 Jul 94

[Text] Havana, 18 Jul (PL)—The economic measures being implemented in Cuba to resolve the crisis do not mean that the revolution is willing to sell out its class roots or that its fundamental accomplishments have been put up for sale, an official publication announced today.

Today's editorial in TRABAJADORES weekly asserts the Cuban workers movement is not frightened by "measures that might be implemented in the future because of adaptations to our realities, which may be needed to ensure the continuation of the socialist economy."

The editorial, entitled "Yes, We Can," states that the Cuban authorities' foresight in preparing an emergency program—known as directives for the special period in times of peace—has made it less difficult to confront the harsh realities and has provided the strategy and tactics that have brought the nation to the present.

The editorial underscores: "Thanks to the tactical flexibility, which has allowed us to adapt our production structure to a world dominated by laws that are different from ours, and to the people's ability to resist and their heroism... we are already seeing the first lights at the end of the tunnel, and the coveted national economic recovery is under way."

After renouncing any trace of false pride or siege rhetoric, TRABAJADORES bases its analysis on criticizing the skeptics and pessimists, and it acknowledges the efforts made by provinces, such as Guantanamo, where advances can be seen, despite the fact that it was hit by floods and droughts three times within a year.

"Hundreds of new houses have gone up, no family has been left unprotected, the citizens are struggling to meet the agriculture supply programs for the population, and they have not abandoned any commitment to the people or the nation," the editorial adds in reference to the work done in the most eastern territory in the country.

In this respect, the editorial stresses the need for workers to work decisively and confidently to find formulas to increase efficiency in the industrial, service, agricultural, fishing, cattle, sugar production, nickel, education, health, and defense sectors, as well as others.

It also highlights sectors such as biotechnology, science, the pharmaceutical industry, and tourism—the last of which has an annual growth rate of more than 30 percent, the editorial adds.

Other illustrative examples include the oil extraction and production industries, where workers strive—the editorial says—to produce 1.200 million tons of vital fuel for the country and to generate electricity.

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Dominica

Invasion of Haiti Backed With UN Authorization

FL2307140994 Kingston JBC Network in English 1330 GMT 23 Jul 94

[From the "News Headlines" newscast]

[Text] Dominica says it will support a United States-led (?armed) invasion of Haiti if the United Nations Security Council gives the go-ahead.

Dominican Republic

Cedras Reportedly To Meet UN, OAS, U.S. Envoys

PA2207173094 Madrid EFE in Spanish 1548 GMT 22 Jul 94

[Text] Santo Domingo, 22 Jul (EFE)—Haitian Military Chief Raoul Cedras might meet today or tomorrow with UN, OAS, U.S. Government, and Dominican Republic Government representatives to seek a resolution to the Haitian crisis and thereby avoid armed intervention on the island.

This information was published today by the daily LISTIN DIARIO. The report cites unidentified sources who, it claims, are close to President Joaquin Balaguer. According to the sources, the meeting will take place in the Malpasse area along the Dominican border with Haiti in the region of Dajabon Province, 284 km northeast of Santo Domingo.

At the meeting, "one last chance will be offered to the Haitian military leader to resign from his post in exchange of guarantees to leave Haiti together with his family without any problems or difficulties," according to the daily.

Cedras could receive an offer to reside in the nation of his choice, "even the Dominican Republic, if he wishes," the daily adds. According to the report, the United States would supply transportation and economic resources.

Regarding the offers to be presented to Cedras, the military chief would have to limit himself to accepting or rejecting the offers without demanding or suggesting any substitute in the Army.

"Dominican President Joaquin Belaguer offered all facilities for the meeting between Raoul Cedras and UN, OAS, U.S., and Dominican Republic Government representatives, and it appointed an official that would represent him," LISTIN DIARIO added without identifying the Dominican official.

The meeting reportedly has been coordinated by William Gray, special adviser to the U.S. President on Haiti, and it presumably has the support of the U.S. Government, U.S. Congress, OAS, and United Nations.

The Dominican daily also says that today the UN under secretary general and possibly Dante Caputo, UN and OAS mediator in the Haitian crisis, will arrive in the nation.

The meeting with the Haitian military leader would be the last effort by the international community to seek a peaceful and negotiated resolution to the Haitian crisis and thereby avoid a multinational invasion of the Island. This move appears to be the result of a meeting that U.S. Democratic Congressman William Richardson held last week with Cedras in Port-au-Prince and with Balaguer in Santo Domingo.

The LISTIN DIARIO information could not be confirmed or denied by other independent sources consulted by EFE.

Raoul Cedras led the military coup in September 1991 that ousted elected Haitian President Jean-Bertrand Aristide after seven months in power.

Foreign Ministry Defends Presence of U.S. Soldiers

PA2207140094 Mexico City NOTIMEX in Spanish 0900 GMT 22 Jul 94

[Text] Santo Domingo, 22 Jul (NOTIMEX)—The presence of 50 U.S. soldiers along the Dominican-Haitian border does not violate national sovereignty, Deputy Foreign Relations Minister Fabio Herrera Cabral has said.

A communique issued by the Foreign Relations Ministry noted that the foreign soldiers will advise the 15,000 Dominican soldiers who are blocking the Haitian border. It added that the presence of the military force is in accordance with an economic blockade proposed by the United States and endorsed by the United Nations against Haiti's military government headed by General Raoul Cedras.

The U.S. soldiers arrived in the Dominican Republic to finalize plans to offer assistance in the form of equipment and logistical support valued at $15 million, which the United States promised in connection with the Haitian embargo.

Herrera Cabral justified the presence of foreign soldiers in the Dominican Republic, noting that their presence was authorized by the government of Joaquin Balaguer.

The Dominican Army is restricting the flow of weapons and fuel from this country to Haiti to help force a resolution to the Haitian crisis and return Jean-Bertrand Aristide to power. Aristide was deposed by a coup d'etat in 1991.

The Dominican deputy minister said he knows nothing about reports of a possible meeting between Cedras and Balaguer, but he added that such a meeting would be positive because of the experience of the Dominican president and his influence on Cedras.

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Electoral Board Annuls Elections in Santo Domingo

PA2207232294 Madrid EFE in Spanish 2159 GMT 22 Jul 94

[Excerpt] Santo Domingo, 22 Jul (EFE)—The National District Electoral Board (JEDN) annulled today the results of the general and presidential elections held on 16 May in Santo Domingo due to "irregularities or human errors, not technical errors, that were committed and that contaminated the elections held throughout the country."

The annulment only affects the results in the Dominican capital, where "it has been confirmed anomalies, though very limited quantitatively, were registered, and their effects permeated the entire country."

The JEDN based its decision on the irregularities that have been presented in such instances as the elimination of the file generated to produce voters lists, "the lack of which has prevented the essential or effective comparison of the voters lists safely and expeditiously. This could have explained the differences in the irregular cases."

JEDN Resolution No. 12-94, issued today, canceling the elections in the Dominican capital, declares "void, without validity or effect, the elections held at all polling stations in the National District, with all its legal consequences."

The JEDN also based its annulment on the report from the election Verification Commission, which has demonstrated the process to deliver voting and identification cards was conducted in a disorderly manner.

The report confirmed the Central Electoral Board had allowed individuals holding voting cards who did not appear on the lists to vote. Moreover, it corroborated voters lists did not match those delivered to political parties.

The Verification Commission confirmed that the assessment of 1,468 polling stations resulted in an average 20 voters being excluded per polling station and that the total number of people not allowed to vote totaled between 45,000 and 28,672 people. [passage omitted]

Party 'Satisfied' Over Annulment

PA2307023694 Madrid EFE in Spanish 2219 GMT 22 Jul 94

[Text] Santo Domingo, 22 Jul (EFE)—The social-democratic Dominican Revolutionary Party [PRD], the main opposition party, stated today it is satisfied with the annulment in the country's capital of the 16 May general elections.

PRD Secretary General Hatuey Decamps said if the district's decision means "it has been admitted the irregularities and fraudulent actions that were committed validate an annulment of the elections here, that could not be said for the rest of the country, from where most of the charges of fraud came."

Decamps told EFE "the Central Electoral Board [JCE] has no choice but to void the results of the general elections throughout the country" now that the National District Board has adopted this decision affecting an area in which 40 percent of the voters live.

The governing Social Christian Reformist Party [PRSC], whose candidate is current President Joaquin Balaguer, immediately appealed the district junta's decision today.

The PRD, whose presidential candidate is Jose Pena Gomez, has charged the JCE and the PRSC committed a "huge" fraud.

The elections were held on 16 May, and the JCE has reported only provisional figures, according to which the PRSC is ahead by a 30,000-vote advantage over the PRD.

The district board annulled the elections today due to "irregularities and human, not technical, errors that contaminated the elections throughout the country."

The district junta document reads "it has been verified anomalies occurred, and although they have been limited quantitatively speaking, they have had a nationwide impact."

The annulment was decided following the challenge presented by the PRD, despite the fact it had won in the National District based on the results of the provisional elections.

Haiti

Radio Reports U.S. Seeks UN Backing for Intervention

FL2207164494 Port-au-Prince Signal FM Radio in French 1030 GMT 22 Jul 94

[Text] Washington hopes, before the end of next week, to get the authorization of the UN Security Council for an essentially U.S. military intervention to impose a stable environment in Haiti. This is what the U.S. ambassador to the United Nations, Mrs. Madeleine Albright, pointed out on 21 July. In a statement to the press, Mrs. Albright added that the adoption of a resolution to that effect prepared by Washington would (?provide for) a multinational coalition, led by the United States, whose task would be to establish a secure environment by using all necessary means, including military force. U.S. diplomats assert that Haitian President Jean-Bertrand Aristide, who is in exile in Washington, already pointed out that he favors the deployment of such a force. However, Mr. Aristide must refrain from expressing this position publicly as the Haitian Constitution prohibits him from calling for a military intervention in his country, the same sources add.

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Mrs. Albright pointed out that so far no decision and no deadline have been set by Washington. She did say, however, that the adoption of the resolution at the United Nations would provide the diplomatic framework necessary for all the options considered by the United States, including the invasion of Haiti to drive the military out of power.

According to Western diplomats, the United States hopes that the preparation of the military force and the UN authorization for a possible invasion will send a powerful message to Port-au-Prince and will be sufficient to provoke the voluntary departure of the military. Mrs. Albright recalled that the U.S. plan echoed a report presented last week at the UN Security Council by UN Secretary General Butrus Butrus-Ghali outlining a two-step process. The first step would consist of deploying the multinational force to create the stable environment—if need be—by forcing the departure of the military who staged the coup d'etat in September 1991. Butrus-Ghali proposed the overall figure of 15,000 soldiers for this operation. The U.S.-dominated force authorized by the United Nations but commanded and financed by the United States would then hand the responsibility over to the UN Mission in Haiti, MINUHA, within the scope of the second step. The administration in Washington wants the MINUHA to include as many as 6,000 men of whom it would be ready to provide the number required by the United Nations. The administration also wants the mission put under U.S. military command.

The United States is favorable to the deployment of a portion of the MINUHA force even before the departure of the U.S. force. A certain number of U.S. solidiers deployed within the scope of the first phase might even change status and wear blue helmets to become part of MINUHA, according to an outline sketched by U.S. diplomats in New York. According to the U.S. representatives, several countries showed interest in participating either in the first or the second step. Argentina and Canada are among those countries, according to diplomats.

Mrs. Albright talked on 22 July about a favorable reaction from the members of the UN Security Council. She said she was expecting the adoption of the U.S. resolution plan before Friday, 29 July. However, diplomats who sit on the council pointed out that China and Brazil—both members of this body—might raise objections during the consultations scheduled for next week. In bilateral contacts with other members of the council, the U.S. diplomats put forward Butrus Butrus-Ghali's firm support for their initiative. One of them quoted Butrus-Ghali who allegedly told the Americans: I will support you as much as I supported the French in Rwanda. Last month, the UN Security Council gave its authorization for a nearly unilateral French intervention in Rwanda.

Jonassaint Government Protests Albright Statements

FL2207160994 Port-au-Prince Radio Metropole in French 1500 GMT 22 July 94

[Text] The government of provisional President Emile Jonassaint issued a sharp protest following the latest statements of U.S. Ambassador to the United Nations Madeleine Albright.

Ms. Albright stated yesterday to the press in New York that Washington intended to obtain, before the end of next week, the approval of the Security Council for the establishment of a multinational coalition led by the United States whose duty would consist in establishing in Haiti, a safe environment, using all necessary means including military force.

The official communique of the Jonassaint government calls the statements by the U.S. ambassador to the United Nations warlike and points out that Haiti is not at war with anyone. The communique concludes reasserting, we quote, the firm determination of the government to hold elections in Haiti in order to establish a true democracy.

Friends of Haiti Backing for UN Move Noted

FL2207161894 Port-au-Prince Radio Metropole in French 1045 GMT 22 July 94

[Text] According to AFP the so-called friends of Haiti favored a project of intervention in Haiti. During an evening meeting on 20 July in New York, the UN representatives of the five member countries of this group—Argentina, Venezuela, the United States, Canada, and France—examined the report of the UN secretary general which recommended the sending of a multinational or inter- American force of 15,000 men for a safe and stable environment in Haiti. Also, according to AFP, within the group of the friendly countries, Argentina, France, and Canada appeared to be in favor of the initiative while Venezuela expressed some reservations.

Union Leader Predicts Guerrilla War Against Invaders

FL2207212594 Port-au-Prince Signal FM Radio in French 1030 GMT 22 Jul 94

[Excerpts] Independent drivers union president, Pierre Malvoisin, holding firmly to the helm, predicts impregnable resistance in case of a possible landing of foreign forces, of U.S. forces on Haitian territory. In the event of a U.S. military intervention, regardless of whether they are in Haiti or in their homes in the United States, there is always danger, there is always a sword of Damocles over their heads. Haiti is a den that is easy to enter, but the problem is how they will get out, he adds. Malvoisin launched a severe, firm warning to the Americans so they will remember or at least not come to risk their necks in this hell. He is convinced that the United States can

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pulverize little Haiti in the twinkling of an eye. He answered the questions of Signal FM.

[Begin recording, in Creole] [Malvoisin, in progress] ...all ships, everything. There are missiles on all U.S. ships. They may destroy Port-au-Prince within 20, 30, 50 minutes because there are missiles on all the ships. If they do as they did in Iraq, in the Persian Gulf, and remain in the air only, we will have problems. But once they take to the ground, the Haitian land that our ancestors bequeathed to us, they will have problems, they will have big problems.

[Unidentified journalist] Does that mean, in your opinion, that it would be a very difficult fight if they intervened militarily?

[Malvoisin] Very, very difficult. [words indistinct] [passage omitted]

[Journalist] Is the strategy to establish guerrilla warfare?

[Malvoisin] To establish guerrilla warfare. With guerrilla warfare, we will be able to fight even against missiles. No matter whether they stay for two months or for five years, we will be able to fight them. [passage omitted] [end recording]

Sansaricq Senate Meets Jonassaint Government on Elections

FL2207215694 Port-au-Prince Radio Metropole in French 1600 GMT 22 Jul 94

[Text] In the parliament, the Senate controlled by Sansaricq invited the Jonassaint government to prepare elections. Two ministers of the provisional government were received on 21 July by the Sansaricq office, the ministers of the interior and of information. The session was held in camera, but the vice president of the Sansaricq office told us that it concerned an invitation to the Jonassaint government to begin the electoral machine.

[Begin recording, in Creole] [Manigat] The elections file is a priority for us because in the 10 May resolution, which filled the executive vacuum, Articles Three and Four specified the mission of the provisional government. Thus, elections are a very, very important file. Now that we are in July, it is normal for the Senate to take responsibility for consulting the government in this regard.

[Reporter Jean] The Jonassaint government has been in power for 70 days now. According to the Constitution, the government appointed under Article 149 is due to hold elections after 90 days. Will the 90-day deadline be respected?

[Manigat] If you refer to the resolution, Article Four provides the Jonassaint government with a deadline longer than 90 days because the resolution takes into account the constraints that that would raise. It is completely impossible to hold elections within 90 days. The constraints must be managed, but the resolution provides that by 7 February 1995, the CASEC's [Administrative Council of Communal Sections] must be renewed; the mayors must be elected; the Chamber of Deputies must be renewed and installed; a third of the Senate must be renewed and installed; and another president must be installed to govern the country.

[Jean] Will this session confirm your apprehensions about the government's willingness to hold elections?

[Manigat] We are not going to build a case based on assumptions. We are on good terms with the government, which has many files it is working on. We would like to note the simultaneity of the files. In state matters, there are no friends. We are assuming our responsibilities. [end recording]

Deputy Session Held on Government Legitimacy

FL2207212794 Port-au-Prince Radio Metropole in French 1600 GMT 22 Jul 94

[Excerpt] A preliminary hearing was held in the Chamber of Deputies at the opening of this parliamentary session. The lower chamber, led by Deputy Frantz Robert Monde, was barely able to meet the necessary quorum, 41 deputies. The points on the agenda were: formation of a commission to work on amendments to the 1987 Constitution; the question of the legitimacy of the Jonassaint government; and the resolution of the Sansaricq branch of the Senate eliminating the monetary ceiling system.

This last point aroused keen exchanges between the current chamber president, Frantz Robert Monde, and its former president, Antoine Joseph. Deputy Joseph reproaches the office led by Frantz Robert Monde for having addressed a letter to Senator Sansaricq using the title of Senate president. He also reiterated that the Chamber of Deputies does not recognize the Jonassaint government. [passage omitted]

Police Report Explosion in Port-au-Prince

PA2507045094 Paris AFP in Spanish 0411 GMT 25 Jul 94

[Text] Port-au-Prince, 24 Jul (AFP)—AFP has been able to confirm that a heavy explosion, probably caused by a homemade bomb, shook Port-au-Prince at about 2320 (0320 GMT).

According to official police information, the explosion was in Place Cazeau neighborhood. There is no information on casualties or property damage.

Similar explosions have occurred over the past three years resulting in at least five deaths, usually those of the individuals carrying the explosives. The police attributed these incidents to alleged followers of exiled President Jean-Bertrand Aristide.

A mysterious "Indian army" claimed to be responsible for several homemade bomb explosions, none of which caused any property damage.

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Government To Stress NAFTA Over ALADI Accords

PA2307193394 Mexico City EL FINANCIERO in Spanish 21 Jul 94 p 22

[Report by Georgina Tristan]

[Text] Mexico plans to stress its trade commitments with the United States and Canada over those with Latin American countries under the Latin American Integration Association (ALADI).

Within the next few days, Mexico will file a formal request to be excused from the requirements of Article 44 of the 1980 Montevideo Agreement. The move is intended to delay automatic access to the benefits negotiated under NAFTA.

On 13 June in Cartagena de Indias, Mexican Foreign Minister Manuel Tello signed a protocol on the interpretation of the article, along with representatives of Bolivia, Brazil, Colombia, Chile Ecuador, Paraguay, Peru, Uruguay, and Venezuela. He also signed two resolutions that set forth procedures by which ALADI member-nations affected by the "suspension" of Mexico's plans can initiate action requesting compensation for trade lost because of NAFTA.

Mexican business organizations, which support the idea of a free trade agreement among Mexico, Colombia, and Venezuela, issued a communique advising the Coordinator for Foreign Trade Business Organizations that the Commerce and Industrial Development Secretariat had notified them of Mexico's decision to request an "exemption" from Article 44.

The communique signed Thursday states: "For the above, it will be necessary for each sector to analyze its particular position regarding this matter and to be prepared to respond to any queries that might arise with respect to the negotiation process that will follow."

Article 44 of the 1980 Montevideo Agreement states that member-states that grant special advantages, favors, franchises, or privileges to products from any other country, whether a member or not, under agreements not included in the Cartagena Agreements, will extend this same treatment immediately and unconditionally to the other member-nations of the association.

The appropriate procedure, as described by the article itself, is for the country requesting the suspension to assume the commitment to begin bilateral negotiations with other member-nations to grant them trade privileges under generally equal conditions.

Such negotiations may be initiated by those nations that feel harmed by the suspension as a means of receiving equal compensation for their trade losses.

The petitioner is also obliged to enter negotiations with the other member-nations who have lifted all nontariff import restrictions, as required under ALADI, and with any other member-nation upon request. Such talks would be to regulate origin benefits in those cases in which the benefits and general trade agreements—agreements including imports and exports alike—offer more favorable conditions than those set forth by ALADI and the Montevideo Agreement.

Once these talks have concluded with a favorable outcome for both parties, the member-nation will cast its positive vote for the exemption. If the results are not satisfactory, the organization will summon a special group to determine whether or not the compensation offered by the petitioning country (Mexico in this case) is sufficient. If the compensation is sufficient, but the affected nation still deems it insufficient, the affected nation may then vote against Mexico's "exemption" request.

The procedure described in the protocol states that if no member- nation expresses an intention to seek negotiations with Mexico within 120 days of the request, the ALADI Committee of Representatives will grant a five-year "exemption" that will be renewable every five years.

Banks Trying To Stave Off Foreign Competition

PA2307005194 Mexico City UNOMASUNO in Spanish 21 Jul 94 p 17

[Report by Luis Martin Gonzalez Guadarrama]

[Text] Mexican banks are taking measures to discourage foreign banks from opening in Mexico, thus staving off competition. For example, the Mexican Banking Association [Asociacion Mexicana de Bancos—AMB] will not allow any unaffiliated foreign credit institution to operate. These foreign institutions must pay $1.5 million to join this association, in addition to the $400,000 fee they must pay to join the Computer Center for Banks (Cecoban) [Centro de Computo Bancario].

As representatives of these institutions have complained, they have said this measure "took by surprise the headquarters of those institutions that are trying to enter the Mexican credit market, because these requirements were not included in those listed by the Finance and Public Credit Secretariat. These requirements are not only a low blow but also a decision characteristic of a group of mafiosos," they added.

To this effect, they stated "businesses in Mexico are not very clear," because although authorities set the rules of the game, there are actually other rules. Should we fail to play by these other rules, we could not conduct business here." [no opening quotation mark as published]

Those who were interviewed have said: After approximately 25 foreign banking firms were optimistically looking to branch out in Mexico, only eight are still trying to conduct business here; the others are planning to conduct other types of business, such as stock exchanges and leasing, manufacturing, and warehousing companies.

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The representative of a large chain of banks has emphasized the Bank of Mexico says on the table such and such requirements are voluntary, but reality indicates foreign banks will be unable to operate or branch out in Mexico unless they pay the $1.5-million fee.

He has also said: "It seems bankers and the government are trying to confuse us, because the AMB is making this decision just as the process to verify whether the requirements are met is well under way and as there is no time to back out."

The representative has also reported that those banks that meet these requirements will begin operations in mid-1995 and that there will be others businesses in which they can participate. "There will be at least three financial groups, including those headed by Citibank and the Banque Nationale de Paris."

He added traditional franchise operations are the best way to conduct business, because the demand for loans by Mexican companies has decreased due to the economic recession, dollar fluctuations, and the ups and downs of U.S. interest rates.

Panamanian President-Elect on Canal, Invasion of Haiti

PA2207174594 Mexico City NOTIMEX in Spanish 0803 GMT 22 Jul 94

[Text] Mexico City, 22 Jul (NOTIMEX)—Panama's President-elect Ernesto Perez Balladares said last night that during the next five years his country will offer greater investment opportunities following the reversion of Panama Canal property and installations.

The Panamanian president-elect arrived in the Mexican capital from the United States to meet with Mexican President Carlos Salinas de Gortari and local businessmen to discuss matters of hemispheric interest.

Perez Balladares underlined that the schedule for the withdrawal of U.S. military troops from the Canal is being maintained in accordance with the Torrijos-Carter Treaty, which mandates the conclusion of the process by 31 December 1999.

He indicated that during his visit to Mexico he will review the possible signing of bilateral agreements, considering that Panama offers opportunities in tourism and various infrastructure projects.

When referring to the upcoming Mexican presidential elections, he expressed his hopes that these will be successful and strengthen democracy, because "from abroad we can see these will be excellent elections."

The president-elect appeared reluctant to support a possible invasion to resolve the political crisis in Haiti to restore ousted President Jean-Bertrand Aristide's government.

He said: "We already went through an experience that was traumatic, and we do not wish this on our worst enemy. Therefore, we hope that if this is (necessary), as a last resort, the decision will be made in coordination with and with the United Nations' blessing."

Other nations require time to resolve their conflicts, he added. Perez Balladares added: "In the case of Cuba, we believe this is happening because of matters between the United States and the island. Nevertheless, our country maintains favorable relations with Cuba and Haiti."

Perez Balladares, who will assume the presidency of Panama on 1 September, will conclude his tour tomorrow in Mexico, after which he will return to his country. The tour included stops in Italy, Spain, and the United States.

Salinas Interviewed on Economy, Security

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[Interview with President Carlos Salinas de Gortari by Javier Alatorre and LA JORNADA Director Carlos Payan Velver at the Azteca Network studios in Mexico City; from the "Facing the Nation" program—live]

[Text] [Alatorre] We Mexicans will cast our votes to elect a new president on 21 August. The administration of Carlos Salinas de Gortari is about to end. As I said a few minutes ago, we have many issues to discuss with President Salinas. Carlos, your turn.

[Payan] Mr. President, first I want to ask you about your government's economic program. No one doubts your program was successful, even excellent, I would say. Just to mention a few achievements, your program was able to control the fiscal deficit, refinance the foreign debt, reduce the inflation rate, attract foreign investment, and strengthen relations with other nations.

Nevertheless, I believe that, as we modernized the nation, the implementation of your program undoubtedly had social costs, such as the closure of small and medium-sized businesses; a high unemployment rate; reduction of purchasing power because of an inability to adjust salaries, despite low inflation rates; and a decrease in the number of people enrolled in the social security program because there are less [words indistinct], thereby leaving many of their relatives without access to this service.

I want to ask you, Mr. President, whether the price we paid for this program, despite all of the benefits it brought us, was perhaps too high because of all the shortcomings I mentioned—shortcomings that are perceived on the streets.

[Salinas] When the economic program was drafted, we took into account what Mexican families were demanding at the beginning of my administration. I recall that during my election campaign, people were

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constantly demanding an end to price increases. The foreign debt was the recurring issue during my campaign. Indeed, Mexicans were overburdened with the foreign debt, as well as the weight of the domestic debt, because the economy barely grew in the 1980's. Meanwhile, however, the population did grow. This situation translated into high inflation rates and a lack of economic growth and new opportunities. The debt was a recurring burden for all Mexicans.

We acted decisively based on these demands. In effect, after recording inflation rates that reached 160 percent annually, last year we were finally able to bring inflation down to 8 percent. With respect to economic growth, there is no doubt Mexico needs to grow much faster. Nevertheless, during the past five years, my administration has been able to record positive economic growth. In addition, we also were able to renegotiate the foreign debt and significantly reduce the domestic debt. What does this mean? It means that more than half of the national budget was earmarked to pay the debt in 1988. Now, however, we are allocating more than half of the budget to pay for social programs.

The domestic debt in many industrialized nations such as the United States and Japan represents 60 percent of GNP, and in some European countries, the domestic debt exceeds 100 percent of the GNP. Now, Mexico's domestic debt is only 10 percent of GNP, allowing us to attain a better position and grow much faster thanks to price stability, which is an essential requirement.

Nevertheless, recalling some of the comments you made on the problems we are still facing, we must recognize that small and medium-sized businesses have undoubtedly faced the challenge posed by economic opening, which has meant more competition. Of course, economic opening has indeed benefited consumers the most, because they now have more products at more affordable prices. Businesses, however, face the challenge of being more productive.

Nevertheless, we have implemented a program called Impulse which, within the past five years and in the current year, has been providing support for 500,000 small and medium-sized businesses. We must do more to facilitate their transactions and provide them access to more affordable loans. We must especially encourage them to form associations, because as small and medium-sized businesses, they face disadvantages when competing against large companies. Nevertheless, I reiterate, we have been supporting some 500,000 of them.

As for diminishing purchasing power, I want to point out that the 1980's—a decade plagued by high inflation levels—represented a permanent drop in real wages. Meanwhile, in each year of the 1990's and the five years of my administration, we were able to increase real wages.

What are the people complaining about? They are complaining that this increase is not enough, and they are right. People are right because, since so much was lost in the 1980's, and although each year we have been recovering in real terms, this effort has been insufficient. Despite this situation, the fact that we have stable prices implies that we may be able to continue increasing real wages and attain more acceptable payments for workers and their families.

In terms of social security, the information published annually by the institution shows the number of members has not decreased. On the contrary, during each year of my administration, the number of workers who have become members of social security has risen. Nevertheless, we would have liked to increase that number even more in order to create additional job opportunities for workers.

Given the challenges and problems we are facing, I am confident that we have been able to meet some of the expectations and demands of many families that have suffered from the effects of the country's high inflation, indebtedness, and negative growth. I recall a very moving remark by a housewife who told me she perceived the Mexican debt as a personal burden as if it were hers. The reason for this is that Mexicans are very responsible, and they do not want to return to the days in which we spent what we borrowed. Mexicans want to maintain this fiscal house-cleaning and the relief we have achieved by reducing the country's high indebtedness.

[Payan] I would like to add other factors that are related to those we have already discussed—high unemployment levels and diminishing purchasing power. During the process to improve industries, your program has emphasized foreign markets over domestic markets. As a result, we are starting out at a great disadvantage. What we see—and this is according to a recent publication—is that 27 of the world's wealthiest people are in Mexico—a country which, despite all of the obstacles it is facing, is beginning its economic takeoff. There are people here who have been able to multiply their fortunes. The problem is not whether people can build fortunes here, but the high poverty levels in this country. In terms of this fact, I believe the economic breakdown [desajuste] is still extremely inhumane.

[Salinas] In Mexico there is still a great deal of injustice and inequity. The chasm between wealth and poverty is unacceptable. Nevertheless, I think the most important thing is to decide whether the distribution of wealth among all Mexicans has improved or deteriorated.

There are many debates and disagreements on this, but I will refer to a report that was endorsed by the UN Economic Commission—a report that was prepared with the seriousness that this type of analysis deserves by the National Institute of Statistics, Geography, and Computer Technology. It notes that during the 1980's, the concentration of wealth in the hands of fewer people was more acute. According to the report, between 1989 and 1993, this process was halted. Furthermore, a better distribution of income has gradually been initiated in urban and rural areas.

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So what do we have to do now? We need to continue working to make the distribution of wealth fairer. We also have to see what can be done to prevent unacceptable extremes from continuing. I believe that with the opening of the economy, we have secured something we have been needing—greater competition among enterprises and their owners, lower profit margins, and greater opportunities for consumers.

For many years we tried to improve the distribution of wealth by increasing taxes. This resulted in higher levels of tax evasion or departures to other countries that offered lower tax rates. Other nations have resorted to mass expropriations to improve the distribution of wealth, but this has resulted in increased bureaucracy.

As I see it, the fundamental issue is the evolution of the distribution of income in Mexico. We have stopped its concentration, and, based on this goal and truthful reporting, we have instituted a better process. Nevertheless, greater efforts are needed.

You have mentioned this process. I would say that in these years of struggle we have sought economic improvement and, especially, solid improvement in the area of economic justice.

[Payan] Your government has been carrying a burden of social inequity for which your administration should not be blamed. Nevertheless, we still have approximately 40 million people living in poverty. What will happen to these people? Some of them are living in extreme poverty.

[Salinas] I think it is important, first, to admit that this is one of the nation's most painful problems and, second, to understand what has been done in the past five years.

Objective information shows the number of Mexicans living in extreme poverty is still very high, but this number has declined in the past five years. Why? Because in the past five years we have spent more on the most needy—on those who undoubtedly deserve assistance the most. This has allowed us to provide potable water to approximately 15 million Mexicans in just five years. Imagine, the entire population of any Central American country, and the population of some European countries, is smaller than the number of Mexicans for whom we have resolved the fundamental problem of providing drinking water.

More than 20 million Mexicans have benefited from our electricity programs. We have refurbished more than 100,000 [number as heard] public schools that were built through great sacrifice, but had become dilapidated. We also have introduced profound educational reforms that heighten the quality of education for children and teenagers.

Yes, there is a problem of too many Mexicans living in extreme poverty, but we have been working to correct this.

Over the past five years, I dedicated Thursdays and Fridays to visiting poor neighborhoods, rural areas, and Indian communities—those places in which the needs are greater and where our work must be effective.

We have made progress, and yet there is still much to be done. The important thing is not to take a step backward in offering effective solutions to those who need it most.

[Payan] [Words indistinct] of course, the number of poor people is very large. It is a shame for any nation. Every effort must be made to close the gap between rich and poor.

I would like ask to you whether the economic model that has been proposed to the nation does not imply—you are somehow telling me: no, it does not—that the social state should be liquidated, as is happening elsewhere in the world where similar doctrines are being applied?

[Salinas] I would say that this has led to a state that offered too much and resolved too little. We had a state that accumulated properties, while the people accumulated needs. Now, we are working to have a state that responds better and in a permanent manner to the most important social needs.

A short while ago I said that at the beginning of my administration more than half of the entire budget was earmarked for servicing the debt. Today, in 1994, more than half of the entire budget is earmarked for education, health, housing, food, and the Solidarity Program. This year, more money will be spent on education than at any other time this century. This is one of the people's basic demands. More than 6 percent of the GDP will be spent on education alone.

I think the basic thing is that these actions can be maintained over time. This can only accomplished if these actions have a sound financial basis, because what we have seen in other times in Mexico and in other nations is that in specific years there was a lot of social spending, but it was financed by going into debt. Sooner or later, we had to face the consequences of these actions.

Today, we are maintaining a fiscal balance. This means we do not go into debt, and, at the same time, we have this growing budget—in real terms—in the social area. What is it that we need? We need to spend more each year; we need to increase spending.

During the five years of my administration, 10 million Mexicans have been born. In other words, when I began my six-year term, there were 80 million Mexicans, and when I leave office there will be 90 million Mexicans. This poses a formidable challenge to the state's capacity to meet social needs. If new Mexicans are added to those who historically and for generations have lived in extreme poverty, we can see that the challenge ahead is formidable.

Nevertheless, we have built a fiscal, financial, and economic base on which to support this new state in order to meet the needs of those who have less in a better and a more permanent way.

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[Alatorre] We recognize some progress has been made in the economy, but the question is, how will this be reflected in the pocketbooks of the people?

[Payan] On many occasions you have said that there must not be economic development without social justice or development. Is this the ground rule to get the Solidarity Program going?

[Salinas] That is right.

[Payan] There are some objections—here, I am going to ask you to comment on the program—concerning the Solidarity Program, which ultimately brings benefits to local communities. One objection is that it has been used in a discretionary manner, and the other is that it has been used for political reasons to resolve communities' problems with money. Some have said the application of this program is eminently political.

[Salinas] I have heard more than two objections concerning the program. What I want to tell you is that Solidarity is a program aimed at putting paternalism and bureaucracy behind us. In other words, it is not drawn up in the main offices or at a desk far away from the real problems. We have tried to reach the communities, the poor neighborhoods, and the Indian areas with resources that permit us to carry out public works a particular community may want.

I have participated in community meetings. I have been present, and I have seen how the meetings are conducted. In these meetings, the members of the community exchange views, hold debates, and make their own decisions—decisions are indeed being made at the grass roots—on future projects, how they can contribute to these projects, and sometimes how they can do this with very limited funds or through their work. They often demand answers from the authorities. What Solidarity has tried to do is not only pay attention to the communities, but to also find solutions to their problems. In terms of participation, and in terms of the satisfaction they obtain from helping resolve their own problems, the response has been extraordinary.

Regarding the use of Solidarity funds for political purposes, I would say that the criteria used has been social in nature. Solidarity has gone to the lowest-income areas in the country which, consequently, need urgent solutions—not solutions in the form of promises, but action. If you take a look at a map of Mexico and the way in which Solidarity funds have been channeled, you will see that they have not been distributed based on political criteria. No, they have been based on justice.

Solidarity has emphasized the lowest-income areas and regions. This has not been optional, in the sense that the communities are the ones that have presented the projects that are financed with funds from the federal government, the state, and the participants themselves. Many municipalities headed by authorities belonging to various parties benefit from the Solidarity Plan. They have recognized that there has been no political or partisan discrimination, and the participants oppose any partisan or political manipulation of the plan. Each one has his political preference, but what they demand is that funds and solutions be based on their needs and not on political considerations.

[Payan] The criticisms, it has been said, are based on the fact that investments made through the Solidarity Program also change the political tendency of the community.

[Salinas] I would say that the community's state of mind is what changes.

[Payan] Yes, because the people are in need; they need the aid. Sometimes they are living in extreme poverty. I understand that in many cases the sums are not even large. I was present at a ceremony at which titles were delivered, and I saw people crying because for the first time they held a document proving that they owned their house, for example.

[Salinas] I would like to say something about that. I believe it is wrong to claim that consciences can be bought with a little work. This would be tantamount to saying that the construction of highways and huge bridges could affect the political preferences of the drivers of the cars that use the facilities. This does not happen. Therefore, I believe it is wrong to say that the poorest people who benefit from some project will change their political or electoral preferences. They are dignified people. They have suffered for a long time. I repeat, when solutions are given in a transparent way, without trying to impose a political or electoral quid pro quo, people appreciate it in its rightful terms, and they understand that government authorities must give them solutions, because it is our duty to serve them.

[Payan] Let me tell you what I think, what I see. Take, for example, the so-called Operation Tamal during the elections. There is a commitment... [pauses] not a commitment, people are invited to breakfast before going to vote. Apparently, this has no meaning. Our people are kind and generous. It does not mean that someone is buying their conscience that way; they are simply accepting a kind invitation, and it can lead to something else. That is how the induction takes place. There is no buying of conscience. It is a kind action which can be reciprocated, so to say. This should be prevented, to avoid suspicions.

[Salinas] This is prohibited now.

[Payan] It is prohibited now?

[Salinas] Yes, but at the same time we know that in many countries on Election Day, the various parties try to gather and organize their followers to encourage them to go out and vote. In some countries, these meetings are common. Here in Mexico, I understand the suspicions you mention. As I said, this has been prohibited.

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[Payan] It is prohibited. Yes, the problem is not that they are taken to a voting station to cast their votes, but that from there they are taken to other voting stations to vote again. Regardless of whether or not this is true, this is what triggers doubts. A truck takes them to vote at one voting station, and later, the same truck takes them to another voting station. This has happened in the past.

[Salinas] Fortunately, serious work has been done in terms of the electoral lists, and the photo identification process has been conducted with great responsibility. These activities, together with the authorities' actions, will help us prevent such abuses.

[Payan] Mr. President, the economic policy you have implemented in the country has generated social concerns I mentioned earlier—unemployment, wages, and so on. Fringe groups persist, and it seems impossible to resolve their problems any quicker. Might we not take paths that are less damaging? Is it not time to shift our policy, or will it continue to be the same? Is this policy being implemented because it is fashionable?

I know the country cannot remain detached from what is happening in the world, because the planet has gotten smaller, everything is intimately linked, we cannot take different paths, and so on and so on. Nevertheless, might we not change the focus, the emphasis placed on things, or at least take roads that are a bit gentler?

[Salinas] Look, Mr. Payan, I am convinced...

[Payan, interrupting] Excuse me, Sir, I am not referring to the steps to restructure, modernize, and the rest. I am referring to what is being left on the sidelines—what is being forgotten.

[Salinas] It is fundamental that we have solid bases to ensure that the programs and actions we decide to implement are permanent, not temporary. The hopes and efforts of the communities and the people are undermined when our actions are fleeting. That is why I have asserted that we have to build good foundations. We also have taken actions to correct injustices in Mexico. The next administration will have to assume responsibility for the management of the foundations we have built and, with this behind it, build something better—better in terms of equity and justice.

We also have learned from past experience and from the experiences of other countries. These experiences have taught us what does not work. This, I think, we know very clearly. What does not work is to offer solutions and then have the central bank print money to finance these solutions, because this would immediately lead to inflation. What does not work is to offer programs and pay for them with foreign credit or domestic debts. What does not work is to have the government do everything, because participation and shared social responsibility are indispensable. Once we have identified the things that do not work, there is an open field in which we can undertake new initiatives, new actions, and new programs to achieve greater justice in Mexico.

[Payan] Mr. President, when you were a presidential candidate, there was an issue that came up over and over again. Now, I would like to turn to this issue—the issue of public and national security. As a journalist, I had the opportunity to accompany you in your campaign, and we heard constant demands for public security, a good police force, and for a fight against corruption in a number of security institutions. How far have you come in answering these demands?

[Salinas] Mexican families continue to demand security today, even though crime rates in 1994 are lower than the ones in 1988, and despite the fact that our population has increased. I mentioned earlier that in just six years, we have 10 million more people in Mexico. The demand continues for two reasons: We continue to suffer security problems, and we have lived through very dramatic events in Mexico this year—events that have had a tremendous impact on the mood of the Mexican people and their families. Both situations—namely, the persistence of crime and this year's events—make the demand for security an issue that will, without a doubt, have to be addressed more effectively.

I heard the candidates stress this issue. As the country's authority, we have responded to these events. We earmarked additional resources for the purchase of equipment to prevent security problems, and we strengthened the area of investigation to ensure that crimes do not go unpunished. We have, therefore, made advances in positively responding to the Mexican people's valid and legitimate demands for increased security.

[Payan] There also have been changes to make punishments more severe. Is this a solution to the public security problem?

[Salinas] I would say it is part of the solution. Punishment will be more severe, and, at the same time, we will take steps to prevent jails from becoming overcrowded. There are people who have committed very serious crimes and deserve to stay in jail for a long time. Others, however, have committed lesser crimes, and, in turn, we have implemented reforms to guarantee a true rehabilitation process. We do not want these people to become worse because they were held in overcrowded jails.

Nevertheless, this is only part of the solution. The solution also requires preventive measures: strengthening the public forces responsible for taking care of citizens, improving the attitudes of those in charge of security, punishing those who commit abuses, and recognizing those who perform their duties well. All of these actions are being reinforced to satisfy the demands of the people.

[Payan] Very clear lines must be drawn between public security and national security, because we, the people,

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are very confused about this. This requires true delineations to ensure that the activity of people, including reporters and people on the street, know what it means to act properly and to prevent any activity that might be viewed as an attack on public security or national security.

I think there is a need to establish very clear definitions in terms of national security and public security. I have the impression—the legal impression—that the recent body you established to resolve problems related to national security... [pauses] public security is not strictly in keeping with the Constitution, and this creates confusion and does not produce the effect you want when it filters downward. In the...

[Salinas, interrupting] I want to clarify what you have just said. The creation of a national coordinating body for public security is indeed in keeping with the law and within the framework of the Constitution. It is designed to increase the efficiency of the responsible authorities' efforts to meet this heartfelt request—this demand of the citizens—namely, that the authorities guarantee public security.

[Payan] But how can you coordinate with an Attorney General's Office when, in principle, this coordination does not exist? In practice, there has been coordination with the Presidency of the Republic. By law, however, that office should be much more independent.

[Salinas] That is a misinterpretation of the duties of this body. It is only tasked with establishing channels of communication among the various responsible parties. The attorney general of the Republic is directly under the president of the Republic and, therefore, serves as the Federal District's attorney general.

We, however, are facing serious problems in communication, and this suggested inefficiency in terms of the authorities' response to abuses committed against citizens or families. This is why we have tried to improve communications, not to coordinate efforts, which is the duty of the president of the Republic. This is being maintained.

[Payan] Recently, there have been attacks against public security. I have talked to you about this several times. A young man [words indistinct]. We do not know who is responsible for these incidents.

[Salinas] In some cases, the individuals responsible for these incidents have been clearly identified and arrest warrants have already been issued. The authorities who are responsible for serving arrest warrants are already going after these individuals in an effort to take disciplinary actions.

[Payan] You are talking about the cases I mentioned.

[Salinas] I am talking those cases. We would gladly share information to ensure that this is broadly disseminated.

[Payan] Those developments are being attributed to the coordinating body [words indistinct].

[Salinas] There is no relation. Quite the contrary, after these incidents were reported, the appropriate authorities—the attorney general of the Republic or the state attorney general, as the case may be—took action, and I repeat, in some of cases they have identified those who are responsible, have issued arrest warrants, and are intensely working to punish these people.

[Payan] You talked about the purchase of equipment and weapons for the police to ensure they are more efficient in fulfilling their duties. There has been much talk about the purchase of armored vehicles for the Army. Will the Army intervene in public disturbances, or will that be left to other authorities?

[Salinas] Each of these authorities has clear and specific responsibilities under the Constitution and the corresponding laws. It has been noted that more patrols have been financed. I will use the State of Mexico as an example. It has some 10 million inhabitants, but it had only 500 patrols to oversee the daily comings and goings of those inhabitants. It would have been absolutely inappropriate and improper to neglect this. The state governor reacted immediately and tripled the number of patrols. In terms of the Federal District, not only were the number of patrols increased, but they were assigned to specific neighborhoods, and the residents organized to verify that they were being protected and not abused.

Perhaps, in this way, we might even bring back the neighborhood policeman. This would create the possibility of easily identifying those who should be protected and those who have the duty to protect the people. We would like this city—the largest city in the world—to achieve this.

[Payan] I am more concerned that the equipment being purchased by the Army might be used to intervene in social disturbances.

[Salinas] The Army has spent six years renovating its equipment and training program and improving its organizational structure. Unprecedented work has been done to professionalize and modernize our Army. As in any other nation, and by constitutional mandate, Mexico has Armed Forces that primarily fulfill the duty of protecting our homeland's territorial integrity and of assisting people in times of disaster.

[Payan] I would like to return to economic issues and...

[Salinas, interrupting] I wish to add that in fulfilling these duties, I have noticed the people's high regard for the Armed Forces. I am certain that you have also valued their work during floods and other natural disasters.

[Payan] It is an institution that has greatly safeguarded its statutes, its honor, and the respect it has maintained since the revolution.

[Salinas] It is a institution truly respected by the people.

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[Payan] This is why I say it is an institution that will respond to orders from the civilian authorities, but the civilian authorities must also know when and where to order it into action.

I wanted to pose one last question about the economy, but now I want to ask a question related to rural Mexico. Between 27 and 30 percent of our population comprises peasants. The number of peasants is larger today than the number that existed before the revolution, but today there are fewer chances for survival. The trend now, because of the opening of markets and the free trade agreements, is to reduce the peasant population to 7 percent. Is this not true?

[Salinas] I would say that in the more industrialized nations, the rural population represents a small portion of the overall population. Most of the people in large industrialized nations live in cities. The rural population in these countries also produces a small percentage of the GNP.

So what is happening in Mexico? Just as in these other nations, the rural population produces about 6 percent of everything that is produced in the country; however, 30 percent of the population lives there. The idea is not to reduce the number of inhabitants living in the countryside but, rather, for them to begin enjoying better living conditions. Otherwise, we will have overcrowded cities.

We have seen what has happened in Mexico City, Monterrey, Guadalajara, Puebla, and Tijuana. The country's large urban areas have grown phenomenally. Mexico City is now the largest city in the world. We do not want the rural population to emigrate to the cities or to other countries because they cannot find a source of income in their place of origin.

[Payan] But peasants will not be able to find a source of income in these areas.

[Salinas] We can still create certain opportunities for them within agricultural industries.

[Payan] The question is how are we going to deal with the things that will happen in the future. The program for the planting of corn, despite subsidies and international price adjustments, is moving ahead slowly. The program is designed to cover a five-year period. The production of corn should be resolved within the next five years. That is an important part...

[Salinas, interrupting] What we must understand is that 30 percent of the population lives in the countryside, the poorest of the poor in Mexico live in the countryside, and programs that were traditionally used to support these people basically depended on very high guaranteed prices. These high guaranteed prices benefited those who produced a surplus. Generally, the rich farmers were the only ones who benefited from these high guaranteed prices. What happened? There are 3 million producers in the rural areas of Mexico. Only 1.75 million of them received the guaranteed prices, and 2 million were left without any support [figures as heard].

Now, we have changed this system. We no longer have such high guaranteed prices for producers. In the past, products were even sold at very cheap prices to prevent tortillas and bread from becoming prohibitively expensive. Huge subsidies had to be paid out as a result. What is happening today? Today the rural farmer is directly supported. The 2 million peasants who did not receive any benefit from guaranteed prices in the past are now receiving direct support. In the past, peasants had to purchase corn at very high prices from outside their production centers. Now they are going to buy it at more accessible prices, and we are going to prevent tortillas and bread from being produced with corn and wheat that are overly subsidized through a mismanaged subsidy policy.

[Payan] There is, however, one very serious problem. How will we absorb this peasant population when they start to be relocated?

[Salinas] I must report that the program of providing direct support to the rural areas is encouraging those peasants who left their lands to return to them, because they can now receive direct benefits. Granted, this system will not resolve all of the problem you have mentioned. No, we also have to create jobs in the rural areas. We no longer have enough land to continue distributing it.

As you said, there were 14 million people in all of Mexico when the revolution began, and today, we have twice that amount, 28 million, in rural areas alone. What we need are job opportunities in the rural areas. This is why I mentioned agricultural industries as a means of creating jobs. An example of this can be found in the region of La Laguna. This region has an excellent history of agricultural production. Nevertheless, here, too, the population grew and many people migrated. Today, NAFTA and the possibility of accessing the large U.S. consumer market has prompted the establishment of more than 40 new firms in La Laguna. I have visited these firms. They are co-owned by the peasants, and each of them generates about 100 jobs. They manufacture goods they can now sell in the United States, in the large North American market, via the opening we achieved. These people will no longer migrate. The jobs have provided incomes the people could no longer earn while working the land. We are able to offer this choice today precisely because we attained the economic opening.

[Payan] The Indian uprising in Chiapas on 1 January surprised the entire country. It seems to me that this state and the Indians themselves, who were the original residents of this territory, face problems of social injustice, backwardness, and neglect that date back centuries.

I have the impression, Mr. President, that one of the main demands in the area is for land. It has already been decreed that no more land will be distributed in the

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country. It is very likely that this decree will speed the Chiapas Indians' decision to take paths other than those leading toward peace or negotiations.

As you might recall, the peasants' demands amounted to about 80,000 hectares of land, and there were 400 seizures of land in 1982 [as heard]. This demand has become commonplace and persists today. Even though new opportunities are being created in rural areas, the land does not generate enough to eat, and the people are constantly demanding a parcel of land. You have, for example, the lands owned by cattle breeders—approximately 200, excuse me, 2 million hectares of land. Each property covers some 7,000 hectares with 1,000 head of cattle. People still want a plot of land there. I want to ask you this: Is there enough land to share in Chiapas?

[Salinas] This is a question that has to be answered very honestly, because, I repeat, rural areas currently have twice the number of people that all of Mexico had at the beginning of the revolution, and this number continues to grow. Did you know that the average amount of land held per producer in the countryside today is 1.5 hectares? A family cannot survive on 1.5 hectares. The only thing we will accomplish, if we continue to divide and divide, is to exhaust the land. This would not only be an act of injustice, but a swindle on future generations. Of course, wherever abuses are committed and land is amassed—Article (?25) explicitly bans large estates—we have acted and will continue to act in a strict manner. We would be lying, however, if we told future generations in the rural areas that we will resolve their problems by giving them more land.

[Payan] No, we will not resolve it in this way, but [words indistinct] they do not want anything else.

[Salinas] Yes, that is why it is so important that we provide them with job opportunities, preferably where they are living.

[Payan] Therefore [words indistinct] land and give them the option of [words indistinct].

[Alatorre] I would like to make good use of the time the president has given us, and, therefore, Mr. President, I would like to hear your solution to the Chiapas problem. Is the solution close at hand? Is it long in coming? How do you view it?

[Salinas] I would say that this problem has been in the making for many years. Its solution will also require several years. Let us, however, explain the solution. Primarily, the solution is based on just actions, and we are definitely working toward this end. The solution is more health, education, and, as we said a few minutes ago, more opportunities for jobs and income. Here, we should also include creating better understanding among the authorities.

It is for this reason that we have spoken about an honorable peace—a solution through negotiation, dialogue, and not through confrontation. The Chiapas problem has been brewing for generations. I would like to say that during the past five years we have taken measures to help Chiapas. The problem took years to develop, and it is impossible to correct it within a few short years. Nevertheless, in five years we were able to increase federal resources earmarked for Chiapas 10 times. We were able to refurbish 5,000 schools, build 4,000 new classrooms, and pave more than 1,300 km of roads, which were basic demands. The federal and state governments also were able to invest 2 billion new pesos. That is not enough, we have to make additional efforts, but we are trying to solve problems in Chiapas that are so old that some of them have to do with the people's attitude, relations, respect, and equality, which will undoubtedly require in-depth changes.

[Alatorre] I know it is impossible to discuss all topics, but we still have to talk about security and drug trafficking. That is another one of the people's demands. How much progress have we made? There is information that concerns us. Even though there are efficient actions to fight drug trafficking, Mexico has repeatedly been called a springboard or a bridge in the international drug route. According to recent reports, some Mexicans, especially adolescents, are becoming consumers. We are turning them into drug consumers.

[Salinas] The battle against drug trafficking is worldwide. I would say the world is losing the war against drugs. Why? Because drug consumption in the industrialized nations is far from showing a decline, just as production is not declining. Instead, what we are seeing are new drug byproducts and new consumer countries.

Mexico is a transshipment nation in which some sectors of the population are at risk of becoming users. It is for this reason that we must act swiftly. By acting swiftly, we will not only be helping others, but we will also be helping ourselves. We have already witnessed that because this activity creates profits which total nearly $100 billion each year, each time we arrest a major drug dealer, he is immediately replaced by someone else, because the activity is so widespread. In this respect, there must be more cooperation among the consumer, producer, and transshipment nations.

We have to take action because it poses a risk to our own security and to our families. We have been taking action. The cocaine seizures in the country are unprecedented. What happens when we take action? They ship the cocaine through other countries. The arrest of leading drug dealers continues. When they are arrested, they are replaced by others. We have to continue to act. It Mexico's and the world's problem.

[Alatorre] We have one last question, not for the president but for Carlos Salinas. Are you pleased with your six-year term in office?

[Salinas] Throughout my administration I sought to strengthen Mexico's sovereignty with the actions we have taken. We wanted freedom to prevail. We wanted

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to strengthen the justice system and open new paths for democratic life in Mexico. That has been my objective, and I will continue working toward that goal every day until 30 November, when my responsibility ends.

I can tell you that for the past six years I have had extraordinary experiences in the expressions shown by my fellow countrymen when I handed them the land title they had been waiting for for 40 years; when I opened the tap for the water they had to collect by walking long distances; and when I flipped the power switch after they had used candlelight their entire lives. The expression of hope reflected in their eyes is the most important and most stimulating thing I have experienced. I have only gratitude for the Mexican people for the opportunity they gave me and for the reasons they gave me to continue fulfilling my duties until the end of my administration.

[Alatorre] Mr. President, we thank you for being with us on "Facing the Nation."

[Payan] I am sorry, but half of my questions have been left unanswered. From my viewpoint, we have not yet discussed many of the problems I wanted to discuss. I am not pleased with this meeting. I know you are a very busy man, but—sorry for interrupting—I would at least like to finish with the Chiapas problem.

No president has done what you have done, which is to call a cease-fire after ten days. That is a truly unprecedented action. It took the Salvadorans 12 years to sit down at a negotiating table. There is peace now. I have the impression that the EZLN's language has changed. They are waiting for the election results. I think they would like to participate in civilian life more directly. They are building bridges, peace bridges. You have built peace bridges, Mr. President. You did not pursue a useless war. The country would have lost. We have to build other bridges. I do not know which bridges, but I think that what you did was worthy, appropriate, correct, an an important decision for the country. We have to continue with peace. We cannot lead the country to war.

[Salinas] I share Mr. Payan's opinion that we need more bridges leading to peace; more bridges to find a dignified solution that will accept and recognize their valid demands within the framework of our institutions, within the country's legal administration, and, above all, with the goal of administering justice. I want justice and peace for Chiapas.

[Payan] Bear with me, but I don't think that any other president....[pauses] You have exercised the presidential powers with a very strong hand. I don't think the governors will be able to do this any longer. How is this president who has exercised such enormous power preparing to return to civilian life?

[Salinas] First, I have exercised the duties granted to me by the Constitution, and I have always tried to keep my actions within the law. In doing so, I have tried to bring harmony to Mexicans. In our country, which is facing so much inequality and where there is so much plurality—a growing plurality, and let us welcome plurality in Mexico—we need, above all, to resort to politics in the best sense of the word; politics as a means to build harmony and consensus, to ensure that differences will lead not to confrontation but to constructive work through common goals.

I have always acted within the framework of the law. My responsibilities end on 30 November. I must tell you that I am fulfilling my duties on a day-to-day basis. I have not yet thought about 1 December in the way you put it, because I have the enormous responsibility of exercising a mandate. Perhaps I should be interviewed on 1 December to reply to these questions. [laughs]

[Alatorre] Carlos, what about ending the interview here and having another one on 1 December?

[Salinas] I am open to another session of questions without the time constraints that always prevents us from delving into the issues. We could discuss any topic.

[Payan] [Words indistinct] politics that we always encounter in our dialogues.

[Alatorre] Many questions were not asked, Mr. President. We thank you very much for your presence here. Thank you, Carlos. We invite you to come back after 1 December when you will be simply Mr. Carlos Salinas.

[Salinas] I congratulate you for this program which allows free debates. We Mexicans want to hear proposals and different ideas. Liberty is a most valuable asset, and we must exercise it fully. This was a great opportunity. I thank Mr. Payan, a journalist whom I esteem and respect, for his interview.

[Payan] I would like to make a recognition. [laughs] My newspaper has exercised freedom of expression. We have faced no action from your government that could tarnish you. I think that we have exercised it....[pauses] I will end with a Zapatist thought: Freedom of expression also belongs to those who exercise it. I think we exercised it.

[Salinas] I fully share that ideal of Emiliano Zapata.

[Alatorre] Thank you for being here. Thank you, Mr. President, and thank you Carlos.

Electoral Institute Declares Voter Lists Valid, Final

PA2307010794 Mexico City NOTIMEX in Spanish 0436 GMT 21 Jul 94

[Text] Mexico City, 20 Jul (NOTIMEX)—The highest office of the Federal Electoral Institute (IFE) declared today as valid and final the voter registration and name lists [lista nominales] that will be used in the 21 August elections. At the conclusion of a special IFE General

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Council meeting, Jorge Carpizo McGregor, IFE president and government secretary, said the voting took place cordially, albeit with its moments of political passion.

"We all are building the 21 August we want, and that is why I feel happy to be present at this moment of great importance for the country," Carpizo affirmed. The voter registration and name lists were approved by 10 votes in favor and one against, IFE spokesmen said.

The decision to declare the voter registration and name lists as valid was adopted in accordance with studies conducted to determine the reliability of this instrument, as well as the reliability of names lists, which turned out to be more than 96 percent reliable in every case, they added. Six citizen advisers, two Chamber of Deputies representatives, and one Senate representative, in addition to the General Council president, voted affirmatively, whereas Porfirio Munoz Ledo, a Senate representative and opposition politician, voted against it.

On behalf of the six citizen advisers, Fernando Zertuche submitted four proposals to guarantee the proper use of these electoral instruments. The proposals will be discussed during another meeting of the General Council. Due to the insistence of Munoz Ledo, a national leader of the Party of the Democratic Revolution (PRD), to disqualify the instruments, citizen adviser Miguel Angel Granados Chapa said there is nothing fraudulent about the voter registration and name lists.

Munoz Ledo explained "to vote against them does not mean to invalidate the electoral process beforehand." After the special meeting, the IFE General Council began its regular meeting for July by unanimously approving the drafts of an agreement on the 139 requests to change the names of the candidates for federal elective office.

The members of this group also approved procedure points on the composition of the local citizen councils and the people's participation in the polling sites during the elections. The Congress Standing Committee gave a vote of confidence on 20 July to the voter registration list, with the PRD's opposition.

The PRD legislative bloc believed the examination of the voter registration lists "is unreliable" and proposed a commission of citizen advisers verify the list, a proposal the other parties rejected.

The candidates of the nine registered parties will compete on 21 August for the posts of president and legislators, as well as for federal and state elective posts, in elections in which 45.7 million people are eligible to vote.

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Costa Rica

Government To Offer Medical Aid to Haitian Refugees

PA2307232694 Mexico City NOTIMEX in Spanish 2026 GMT 23 Jul 94

[Text] San Jose, 23 Jul (NOTIMEX)—A Costa Rican Foreign Ministry spokesman reported today Costa Rica will offer medical and sanitary support only to Haitian refugees arriving at other Central American countries.

This ministry explained his country does not have the necessary conditions to receive the Haitians, because it is saturated with economic and political refugees from other Central American nations.

The chiefs of state of Central America issued a joint communique on 20 July reporting the regional decision to join "international efforts and to offer temporary housing to Haitian refugees."

The Costa Rican Foreign Ministry spokesman said, however, the offer will be subject to "deadlines, conditions, and limits set by each of the Central American countries," because the region has special situations that hinder any massive arrival of immigrants.

He said: "For example, there is still a military conflict in Guatemala, and in El Salvador and Nicaragua there are still strong sequels of the armed conflicts those two nations have endured."

Melvin Saenz, director of the Foreign Policy Department of the Costa Rican Foreign Ministry, has said Costa Rica will accept only political refugees, as has been the country's tradition. The diplomat has said his country is saturated with political and economic refugees from other Central American nations.

He explained, however, my country is prepared to provide all the cooperation necessary concerning health and medical services, and Costa Rican professionals would provide this support in other countries.

The Foreign Ministry spokesman said his country is deeply concerned over developments in Haiti as the international community pressures for the restoration of democracy in that Caribbean nation.

Costa Rica has stated its support for the resolutions the UN Security Council and the OAS have adopted in the search for this goal.

Those resolutions, which include diplomatic pressure as well as trade sanctions, are aimed at displacing a military clique from power and reinstalling deposed chief of state Jean-Bertrand Aristide.

Haiti's constitutional president was overthrown in September 1991, seven months after assuming his post, by a military coup headed by Haitian Army chief Raoul Cedras.

El Salvador

Defense Minister Rules Out Role in Haiti Invasion

PA2307045494 San Salvador TCS Television Network in Spanish 1200 GMT 22 Jul 94

[From the "TCS News" newscast]

[Text] Defense Minister Humberto Corado has said that the Salvadoran Army will never be part of a multinational force to intervene in Haiti.

[Begin Corado recording] We will participate if the Salvadoran authorities—meaning the Salvadoran Assembly and our commander in chief—so decide. We would never participate in a multinational invasion force. We are willing to be a part of a peacekeeping force until institutionality and stability are restored. We would be willing to take that type of action. [end recording]

Although it has been decided that our country will participate in a peacekeeping mission, it is still unknown what body or institution will provide the support.

[Begin Corado recording] We would send a force made up of specialists in various fields. We are not yet sure who would go, as that depends on the type of request we get and the nature of the multinational force. [end recording]

Corado expressed his wish that democracy will return to Haiti peacefully and without endangering the country's sovereignty.

Guatemala

De Leon: Conditions 'Not Right' To Receive Haitians

PA2407022694 Mexico City NOTIMEX in Spanish 0029 GMT 24 Jul 94

[Text] Guatemala City, 23 Jul (NOTIMEX)—Guatemalan President Ramiro de Leon Carpio stated today the conditions are not right in Guatemala, El Salvador, and Nicaragua to receive Haitian refugees.

The president explained Central American presidents signed a declaration this Saturday expressing solidarity with the Haitian people and reiterating their support for the resolutions of international organizations, such as the United Nations and the Organization of American States, on Haiti.

He said Central American governments expressed in the document their determination to join the international effort so as to facilitate the granting of temporary safe havens to Haitian refugees, but conditions are not right in Guatemala, El Salvador, and Nicaragua to receive them.

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The statement established it is necessary in accomplishing this goal to consider "the inability to accommodate refugees in states where peace negotiations are still under way," in reference to the situation of Guatemala.

De Leon Carpio's government is negotiating with the Guatemalan National Revolutionary Unity (URNG) General Command a peace accord, which is scheduled to be signed before the end of the year. This accord is aimed at ending the nearly 34-year-old civil war.

The document took into account the situation of those "suffering the sequels of internal confrontation as expressed by remnants of a displaced and repatriated population as well as disarmed or demobilized individuals in the process of returning to civilian life," as in El Salvador and Nicaragua. It also stated as an impediment in receiving Haitian residents the "small size" of a country, as with El Salvador, whose territory of a little more than 21,000 square km makes it the smallest country in Central America.

Based on this Saturday's declaration, De Leon stated in an official communique issued by the Presidency, these three nations were unable to receive Haitians.

The president did not refer to Costa Rica, Honduras, and Panama.

De Leon Carpio also said this declaration states those governments that are able to will offer the basic services for receiving Haitian refugees.

The exodus of Haitians began in September 1991 when military officers led by General Raoul Cedras overthrew Haitian constitutional President Jean-Bertrand Aristide, who had assumed power in February of that year.

A UN commercial blockade was added to international diplomatic pressure so as to pressure Haiti's military leadership to step down and allow Aristide to return to office.

OAS Decisions on Haitian Crisis To Be Supported

PA2307011794 Guatemala City LA REPUBLICA in Spanish 22 Jul 94 p 4

[Text] Our country will support the OAS decisions on the Haitian crisis, Foreign Minister Gladys Maritza Ruiz has said. The minister has said Guatemala will support actions adopted by the OAS within the framework of the law.

She has said Guatemala's position will depend on the type of actions that are deemed necessary to resolve the problems facing Haiti following the confrontation between deposed President Jean-Bertrand Aristide and Armed Forces chief Raoul Cedras.

Regarding the difficulties the Haitian refugees face, the foreign minister has reported Panama will not receive citizens from the Caribbean country, because no accord was reached on how to receive them or how long they would stay in Panamanian territory.

President Ramiro De Leon Carpio has said it was impossible to offer a safe haven to Haitian citizens abandoning the island given our country's special circumstances, but he added other Central American countries are able to receive the refugees.

Concerning the reports made by border residents who have revealed the arrival of Mexican refugees into Guatemalan territory, the minister has said Mexican citizens have indeed entered our country, but they have now returned to their places of origin.

The foreign minister has said our country's foreign policy is aimed at respecting and not interfering in other country's internal problems, so as to maintain mutual understanding.

De Leon Views Court Ruling on Electoral Process

PA2307033594 Guatemala City Teleonce Television in Spanish 1900 GMT 21 Jul 94

[From the "Telepress" newscast]

[Text] The Constitutional Court's ruling on the lawsuit by Deputy Jose Carlos Acevedo Chavarria has affirmed the electoral process is now irreversible, President Ramiro De Leon Carpio said today:

[Begin recording] [De Leon] It is a ruling made by a jurisdictional organization, by the highest court of constitutional justice, and, thus, it cannot be appealed. This chapter in Guatemala's political history is closed. I understand the ruling is based on the law and, therefore, possibilities for further judicial actions are practically nil. I believe that it is a fundamental ruling and that future resolutions, if any other action against the election is presented, will have to be based on it.

[Unidentified reporter] The government will be [words indistinct] as planned as of now?

[De Leon] Of course. The government and the Guatemalan people have always been confident the elections would be held. The Supreme Electoral Tribunal has already said the process is irreversible. A new Congress of the Republic will begin on 14 August. I cannot hide my satisfaction over this new Congress, because I, as president of the Republic and in the name of the people of Guatemala, started this struggle a year ago. I, thus, acknowledged the people's demands for a purge of government organizations; we have already taken this action in the executive branch and are still doing so.

The legislative organizations and the Supreme Court of Justice will be purged too; this purge will be very positive, because we will have two new and stronger organizations. The three government organizations will be able to interrelate and share tasks, and it will further good operations and governability [words indistinct].

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[Reporter] [Words indistinct] abstentionism?

[De Leon] This is an issue I cannot predict. I believe Guatemalans know they must go to the polls to exercise their obligation and right to vote and elect their authorities, in this case their representatives to the Congress of the Republic. The people have strongly voiced their demands for a purge, and they have the chance now to democratically and freely elect whomever they believe should represent them.

Abstentionism occurs all over the world, even in the most democratically developed countries, but I have faith that the people will see the need to go to the polls and that abstentionism will not be excessive. At any rate, we will only know this on the night of 14 August. [end recording]

Honduras

Magistrates Pledge To Respect Judicial Employees' Rights

PA2307020994 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 21 Jul 94 p 15

[Text] San Pedro Sula—Judicial branch employees have expressed their satisfaction, because they have succeeded in getting magistrates of the Supreme Court of Justice [CSJ] to meet the workers' demands, Carlos Cartagene has reported.

Cartagena, vice president of the National Association of the Judicial Branch Officials and Employees, ANFEPJ, has reported the magistrates have pledged to respect the workers' right to unionize and refrain from dismissing any more employees for political reasons. The magistrates have also offered to pay social benefits, reinstate dismissed workers, and raise workers' salaries soon, Cartagena added. He has also said the CSJ officials have signed a document pledging not to take reprisals against striking employees.

Cartagena has said that the professional members of the judicial branch have started to compute benefits for the dismissed workers and that payment will be made as soon as possible. He has said none of the employees fired from the San Pedro Sula courts has asked to be reinstated, because they would rather collect their benefits in cash. Cartagena has said they have demanded a 50-percent salary increase, which can be negotiated, due to the high cost of living. Despite the CSJ magistrates' goodwill, ANFEPJ remains in a state of alert, however, just in case the CSJ attempts to violate the pledge. Cartagena has said this is the judicial branch workers' second strike in less than a year as the result of violations committed by employers.

Nicaragua

U.S. Envoy Accused of Pressure To Pass Bond Law

PA2307143294 Managua LA PRENSA in Spanish 21 Jul 94 pp 1, 12

[Report by Ariel Montoya]

[Text] Ariel Solorzano, president of the National Federation of Owners of Confiscated Property [FNC], has accused U.S. Ambassador John Maisto of being an "accomplice" of the government of President Violeta Chamorro by supporting the Bond Revaluation Law.

"Ambassador Maisto is an accomplice of this government because he supports its aberrations on the property issue. He is determined to support the government until 1996, regardless of its actions, because that is the policy of the Democratic administration," Solorzano stated.

Solorzano explained that Maisto pressured representatives of the government and National Assembly into promulgating the Bond Law to assure U.S. senators that Nicaragua is complying with the Gonzalez-Helms Amendment.

"Mr. Maisto pressured the government and deputies because he is an envoy of the U.S. executive, which wants to convey the impression the Gonzalez-Helms Amendment is being fully observed in Nicaragua," Solorzano remarked.

He said this plan to "deceive" the U.S. Government is aimed at giving the impression the property issue is entering a process of "definitive and clear" understanding, for which just compensation mechanisms are being adopted.

David Farrar, U.S. Embassy spokesman in Managua, stated: "I cannot comment on the statements by Mr. Solorzano. We must wait for the ambassador to arrive some time next week, because he is on vacation."

Meanwhile, Daniel Ortega, secretary general of the Sandinist National Liberation Front, last night presented to the government a draft bill to settle the property conflict, proposing that Decrees 3 and 38 be respected. Ortega's proposal also called for indemnities to owners of confiscated property and respect for the "pinata-like" giveaway.

However, Ortega asserted that the situation of owners of confiscated property will not be resolved within the framework of proposals of understanding that may emerge in the complex property issue.

"Confiscated property will remain confiscated," Ortega stressed after descending from his black jeep. Nevertheless, he said mechanisms will be sought to compensate owners of confiscated property.

The FNC leader criticized the government for holding meetings with the Sandinists, adding this is "evidence" of the understanding shared by the government and the Sandinists.

"I do not understand why the government is holding meetings with the Sandinists and with Ortega, who only represent a party and a group of criminals. The meetings between government representatives and the Sandinists

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is an affront to the people. Moreover, everything Ortega says about the property is immoral," Solorzano affirmed.

Regarding the Bond Revaluation Law, Solorzano explained that it is illegal, noting that the prices of the bonds will not increase even after the passing of Law 180.

He also remarked that all proposals on the bond and property issues made by the government, the legislature, and the Sandinists are intended to divert public attention from crucial topics, such as the Military Code.

Maisto is currently in Washington, where he gave statements to reporters. The ambassador said laws that will resolve the property issue are being approved in Nicaragua.

Government representatives concluded they will analyze the Sandinists' proposal on a draft property bill, along with other proposals, within 15 days.

Market Value of Indemnification Bonds Increases

PA2307233294 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 21 Jul 94

[Report by Maria Lourdes Osorio; from the "National" Newscast]

[Text] Finance Minister Dr. Emilio Pereira announced the market value of indemnification bonds have increased by 45 centavos. These bonds, which have been issued to those whose assets were unjustly confiscated, will also [words indistinct]. The finance minister said during a news conference their value increased after approval of the Bond Revaluation Law:

[Begin Pereira recording] We have established a 4.5-percent annual interest rate between the third and seventh years. How does this work? If the bond was for 100 [currency not specified], 3 percent is accumulated during the first year; that is, for a total of 103. It will earn another 3 percent during the second year, for a total of 106, which will be capitalized. The 106 will start earning 4.5 percent during the third year. Semestral payments will be made through a coupon, which will be exchanged for cash. [end recording]

To compensate those whose assets were unjustly confiscated, the state has issued 900 million [currency not specified] in bonds, of which 254 were already negotiated, the finance minister added. The bonds can be used as a loan guarantee and to pay debts with institutions, such as TELCOR [Nicaraguan Telecommunications and Postal Services], INE [Nicaraguan Institute of Energy], and INAA [Nicaraguan Water and Sewage Institute].

[Begin Pereira recording] We will also allow the use of bonds to pay debts acquired with the General Revenues Directorate and the General Customs Directorate before 30 June 1993 so as to pay many people who are owed money and who have problems with the treasury. Through the new tax structure and ethics we are implementing, we hope to concurrently solve a problem the country is facing and a problem taxpayers are facing. [end recording]

With the bond revaluation, holders will receive 3-percent interest during the first three years, Raul Cerna, of the Bondholders Association, has said:

[Begin Cerna recording] The first interest will be paid in August of next year according to our estimates. As Dr. Pereira has said, I recommend bondholders take into account, when selling their bonds, that one year has passed. Thus, the value of a bond issued one year ago is 12-14 percent higher; on top of that, this bond has maintained its basic value. [end recording]

Panama

Endara To Sign Plan To Receive Haitian Refugees

PA2307232394 Mexico City NOTIMEX in Spanish 2049 GMT 23 Jul 94

[Text] Panama City, 23 Jul (NOTIMEX)—Panamanian President Guillermo Endara said today he will sign a Central American plan to receive Haitian refugees in the region after talking with President-elect Ernesto Perez Balladares.

Endara said in a telephone interview with NOTIMEX he signed the document "approximately one week ago," but received modifications to the text yesterday and, therefore, has decided to wait for Perez Balladares, who will return from Mexico tonight.

"I want to be sure before signing the plan Perez Balladares fully agrees with it. I have not signed the latest version so as to prevent any misunderstanding between us," Endara said.

He said the reason for retaining the document is to ensure the presidential transition continues as is, without any problems, so the next president can assume power "under the best possible conditions."

He said he decided to discuss the subject with Perez Balladares after the differences that emerged between them in early July, when Endara refused to receive Haitian refugees if they were to be settled at U.S. military bases in Panama.

Perez Balladares, who will assume the Panamanian Presidency on 1 September, favors lodging Haitian refugees at U.S. military installations in Panama.

According to Endara, the "plan" mentions the return to democracy in Haiti and the support of Central American presidents to decisions adopted by the United Nations and the OAS on Haiti. Those decisions include diplomatic pressure, commercial sanctions to force the Haitian military leaders to relinquish power, and the return of constitutional President Jean-Bertrand Aristide, who was overthrown by a coup d'etat in September 1991.

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Although he refrained from disclosing additional details on what he described as a "plan," Endara said the document does not mention the Haitian refugees will be sent to military bases.

Endara said one way to support the United Nations could be by contributing to a provisional police in Haiti that would function during the transition in that Caribbean nation.

Endara's statement followed a communique issued today in Honduras announcing the Central American presidents are willing to receive Haitian refugees in their countries.

The communique stated the Central American presidents expressed their "regional desire to join international efforts to facilitate temporary lodging of Haitian refugees." The document notes, however, this will be done by considering the particular limitations each country may have, such as the existence of internal armed conflicts, the consequences of past wars, and limited, territorial extension, among other points.

Haitian Charge Cited on U.S. Decision on Refugees

PA2207221294 Panama City EL PANAMA AMERICA in Spanish 22 Jul 94 p E-13

[Report by Juan Manuel Doaz C.]

[Text] Georges Barberousse, charge d'affaires of the Haitian constitutional government in Panama, said yesterday that Haitian refugees should not be brought to Panamanian territory to be treated as prisoners and that this decision has been a unilateral U.S. one.

Barberousse, who gave a news conference on the Haitian situation at the University of Panama yesterday, said neither Panama nor the United States has considered the constitutional government of President Jean-Bertrand Aristide regarding the possible arrival of Haitian refugees.

Barberousse said all those people who leave Haiti should be considered political refugees, given their exodus is primarily due to the island's prevailing political situation.

He added that UN economic sanctions have exacerbated the crisis Haitians are facing and that all nations should help Haiti recover its resources whenever this crisis is overcome.

President-Elect Returns From Europe, U.S., Mexico

PA2407044494 Panama City ACAN in Spanish 0304 GMT 24 Jul 94

[Text] Panama City, 23 Jul (ACAN-EFE)—The presidents of the United States and Mexico, Bill Clinton and Carlos Salinas, have received with "pleasure" and "enthusiasm" the news of Panama's interest in joining the free trade agreement signed by those two nations and Canada. This statement was said today in the Panamanian capital by the Panamanian president-elect, Ernesto Perez Balladares, of the Democratic Revolutionary Party, upon his return from a tour through Spain, Italy, the United States, and Mexico.

Perez Balladares said the issue of hosting Haitians in his country was "briefly" discussed with Clinton, who appeared grateful for Panama's offer to receive 5,000 refugees who would be installed at U.S. bases along the Panama Canal.

Regarding Tuesday's explosion of a Panamanian airplane with 21 people on board, mostly Jewish businessmen, Perez Balladares said he is sure it was an attack, and, noting he was "deeply angered," he asked that the people responsible for the attack be punished.

Saying the attack could have been either an attack directed at Jewish businessmen or a drug trafficking matter, Perez Balladares affirmed: "We cannot allow Panama to become a land suitable for this kind of action."

In addition to Clinton and Salinas, the president-elect met with Spanish Prime Minister Felipe Gonzalez and Italian Prime Minister Silvio Berlusconi.

Perez Balladares, who will assume power on 1 September, after winning the 8 May elections by a narrow margin, said he mentioned during the talks with Clinton and Salinas the interest his future government will have in integrating Panama into the Free Trade Agreement.

The future Panamanian president said he is satisfied with the optimistic and enthusiastic manner by which both presidents welcomed Panama's intention to join the agreement.

He cautioned, however, this objective, which is attainable in the medium term, will not be "easy" and requires an improvement of Panama's domestic structures and Panama becoming a GATT member.

Regarding his tour, the president-elect said it was "successful" and took place within the "strategy" of making Panama known to the international community "as a new country that optimistically progresses toward the 21st century."

Perez Balladares said he met with officials at the highest level and businessmen from the four countries to attract investors wanting to establish contact with this "new Panama, which is interested in getting rid of any image of illegal actions that could have been committed in the past."

In addition to meeting with Clinton, Perez Balladares said he took advantage of his visit to the United States to talk with IDB President Enrique Iglesias and with the creditors of Panama, whose foreign debt totals more than $3 billion.

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Perez Balladares said Clinton spoke with him about bilateral matters and about U.S. interest in helping Panama in its struggle against illegal activities related to drug-trafficking, including money laundering.

Perez Balladares said he also spoke about this matter with the other chiefs of state and announced he will soon propose to the Latin American countries the idea of signing a treaty to fight drug trafficking.

Perez Balladares met in Mexico with shareholders of that country's telephone enterprise who, according to what Finance Minister-designate Olmedo Miranda has told ACAN-EFE, are interested in buying shares of Panama's National Institute of Telecommunications, a state enterprise.

The president-elect said Mexico's telephone enterprise would like to install an optical fiber cable in Panama to connect the entire Central American region with Mexico for the transmission of data.

Possible 'Terrorist' Links in Plane Crash Studied

PA2307165994 Panama City LA PRENSA in Spanish 23 Jul 94 p 1A

[Report by Jose Otero]

[Excerpts] According to an AP report datelined Sidon (Lebanon), the Lebanese terrorist group "Warriors of God" yesterday claimed indirect responsibility for the attack on the Alas Airlines plane accident. The plane exploded over a mountainous area of Colon Province, leaving 21 Panamanians dead, including 12 Jewish businessmen. [passage omitted]

The terrorist group has issued a communique stating: "We will not stop doing what happened in Panama and Argentina, and we will continue until we wipe out all Zionists and until justice prevails in the world."

Meanwhile, Assistant Prosecutor Carlos Augusto Herrera, in charge of the investigations, stressed the possibility that Lya Jamal might be one of this terrorist group's "suicide martyrs" is being studied, adding that immigration officials have no records indicating that Jamal ever entered or left Panamanian territory, thereby suggesting Jamal could be a phony name.

Herrera also said a group of 30 people belonging to national security organizations and international aviation agencies are visiting the crash site to gather information needed to explain the cause of the crash scientifically.

The assistant prosecutor stressed that a .38 caliber pistol, whose origin is being investigated, was found among the passengers' belongings. In addition, a "hole" that could have been caused by an explosion was located in the plane's fuselage beneath the stairs.

Meanwhile, the Central Council of the Panamanian Jewish Community decried the terrorist attack and pointed out the attack was part of a plot to sabotage the Middle East peace process. David Mizrachi, on behalf of the Jewish community, said the more than 7,000 Jews living in Panama are demanding that the national government conduct a thorough investigation to clarify this incident to the last detail and punish the perpetrators.

Javier Cherigo, assistant PTJ [Judicial Technical Police] director, reported that eyewitnesses and several Alas Airlines employees, as well as employees of the Colon airport, are being interrogated.

Cherigo added: "We are not ruling out anyone, and so far, investigations have proceeded steadfastly; we expect to have positive results within 48 hours."

Humberto Mas, director of the Attorney General's Office Forensic Medicine Department, said reports on the autopsies performed on the victims have been sent to PTJ laboratories. The PTJ is analyzing the composition of fragments found in the legs of four of the victims.

President Guillermo Endara has reported that he asked the Israeli Government, through its Ambassador to Panama Ya'acov Brakha, to send explosives experts and Israeli Special Police agents to help in the investigations. So far, however, the Israeli Government has not replied.

[Panama City ACAN in Spanish at 1234 GMT on 23 July transmits a related 550-word, Panama City-datelined item that says the Panamanian Government has not been able to confirm the alleged participation of an Arab fundamentalist group in the 19 July plane explosion. ACAN adds that Government and Justice Minister Jacobo Salas said he would "rather not talk about the alleged participation of this group in connection with the plane accident until the report is confirmed."]

Assistant Prosecutor on Investigation

PA2307012694 Panama City Circuito RPC Television in Spanish 2300 GMT 22 Jul 94

[Report by Fernando Fernandez; from the "RPC Television News" newscast]

[Text] The investigations into the plane crash in Colon continue:

[Begin Assistant Prosecutor Carlos Augusto Herrera recording] There are a series of technicians and specialists at the crash site; some of them investigating the crash are international specialists. As you know, the biggest sections of the plane are still at the crash site. When can we have an answer as to whether it was an accident or an attack? I would say in the next few hours. [end recording]

The investigations are concentrated on a possible Lebanese citizen named Lya Jamal:

[Begin Herrera recording] We have at the morgue a person with that name whom his relatives have not claimed. Through the process of elimination, we have

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been investigating the other passengers, and this person is the only one left. We are conducting the proper investigations. We have asked the Immigration Department for a list of the individuals, and we are investigating. We are conducting other investigations in Colon to determine that factor. That is what I can tell you now. [end recording]

Little is known of the group Ansar Allah, the identity of which was made known in Sidon, Lebanon, for the first time three months ago when it proclaimed an all-out, open war against its enemy, Israel, which does not respect any agreement, according to the group.

Aeronautics Director on Evidence

PA2407045994 Mexico City NOTIMEX in Spanish 2312 GMT 23 Jul 94

[Text] Panama City, 23 Jul (NOTIMEX)—New evidence has reinforced the hypothesis the explosion of a local air carrier on 19 July, which left 21 people dead, was the product of an attack, Civil Aeronautics Director Zosimo Guardia said today.

During a round table discussion at a local television station, Guardia revealed this Saturday that in one of the engines of a Brazilian-made aircraft belonging to the Panamanian air company ALAS, metal fragments were found amid filaments of "what seems to be the plane's rug."

"Those fragments were certainly expelled by a force from within the aircraft toward the engines, reinforcing the idea an explosive device went off inside the aircraft," Guardia explained.

Panamanian President Guillermo Endara commented on this topic for the first time. He participated in the same program, via telephone, and corroborated the existence of new evidence.

He said he received information about the new evidence from U.S. experts participating in the investigation of this incident.

Eyewitnesses have reported the plane exploded as it overflew Panama's Atlantic province of Colon, killing the 21 occupants of the aircraft, including 12 Jewish businessmen.

This incident occurred one day after an explosive device destroyed the seven-storied building that houses the Israeli-Argentine Mutual Association, leaving more than 40 dead and dozens wounded or missing.

Argentine President Carlos Menem reported yesterday in Buenos Aires that according to intelligence reports, the Islamic group "Followers of God," which is reportedly based in southern Lebanon, claimed responsibility for the attacks in Argentina and Panama.

Council Meets on Possible 'Terrorist' Actions

PA2307030794 Panama City Circuito RPC Television in Spanish 2300 GMT 22 Jul 94

[Report by Vicenta Melania Herrera; from the "RPC Television News" newscast]

[Text] Presidency Minister Yvonne Young has announced the State Security Council has held several meetings to draft measures in light of possible terrorist actions by anti-Semitic groups. The decision came after international news agencies reported a group known as al-Sad Allah [as heard], Warriors of God, was responsible for the attacks in Argentina and in our country more recently.

[Begin recording] [Young] I believe this is a very serious matter that should be properly investigated, in order to make a more precise statement.

[Herrera] The larger companies in Panama are said to belong to Israeli citizens. What will be done about the consequences this could have on the country and about the anti-Semitic actions, which had never happened in the country before?

[Young] The institutions tasked with security will have to determine what measures will be taken. They will then have to work on implementing effective security measures. [end recording]

Young announced the meetings will continue, as their main objective is to protect the Panamanian citizens and prevent attacks such as these against individuals of Jewish descent from happening again.

Israeli Embassy Said To Warn of 'Extremist' Attacks

PA2207223994 Panama City EL PANAMA AMERICA in Spanish 22 Jul 94 p A-1

[Report by Arnulfo Barroso Watson]

[Text] An official source told EL PANAMA AMERICA yesterday the Israeli Embassy told the Panamanian Government a week ago Israel had information indicating Islamic extremist groups could perpetrate anti-Semitic terrorist attacks in different parts of the world, including Panama.

Meanwhile, it was reported U.S. civil aeronautics technicians will go to Santa Rita Hill, Colon Province, today to investigate whether a terrorist attack caused the crash of the HP 1202 plane, belonging to Alas Airlines. The airline asked the Civil Aeronautics Directorate to allow international sabotage and terrorism experts, "particularly those who have contacts in the Middle East," to participate in the investigations.

Officials of the Assistant Prosecutor's Office are expected to also visit the crash site to question eyewitnesses. A tight security perimeter is being kept at the site of the accident to prevent people not involved in the investigation from touching the plane wreckage.

The "voice recorder" [previous two words in English] of the plane, a Brazilian-made Embraer Bandeirantes, was sent to the United States on 21 July to ensure technicians will examine it, because Panama lacks special equipment to make this type of analysis.

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Israeli Ambassador to Panama Ya'acov Brakha told journalists yesterday his government is willing to send technicians to assist in the investigations, adding: "A bomb may have been planted in the plane; should this be confirmed, I believe we must take all necessary steps to determine how the bomb was planted."

Two journalists of major Israeli newspapers arrived in Panama yesterday to report on the investigations, because that country is insisting the crash was triggered by an attack linked to the one perpetrated in Argentina on 18 July.

Javier Cherigo, assistant Judicial Technical Police (PTJ) director, reiterated yesterday there is evidence suggesting criminal hands caused this accident, but he said he cannot give more details for now.

The Forensic Medicine Department of the Attorney General's Office is performing lab tests on the alleged traces of lead found in the fuselage and corpses. The results of these investigations will be delivered to the Assistant Prosecutor's Office.

Assistant Prosecutor Carlos Augusto Herrera has said the splinters found in the corpses could be parts of the plane fuselage that were embedded in the victims' bodies due to the strong impact following the fall.

Meanwhile, two buildings located in the neighborhood of Bella Vista were evacuated yesterday as bomb threats were made, threats investigations found to be unfounded.

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Argentina

SIDE Claims Lebanese 'Terrorist' Group Carried Out Attack

PY2207192794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1810 GMT 22 Jul 94

[Text] Buenos Aires, 22 Jul (NA)—President Carlos Menem stated this afternoon that according to data handled by the Secretariat for State Intelligence (SIDE), the attack on the AMIA [Argentine-Israeli Mutual Association] headquarters was perpetrated by "a terrorist group from southern Lebanon" identified as Al Sad [name as received].

Menem made these remarks during the "La Tarde" program which is broadcast daily by ATC [Argentina Televisora Color Network].

Lebanese Group Claims Responsibility

PY2207204094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1843 GMT 22 Jul 94

[Text] Buenos Aires, 22 Jul (NA)—The terrorist group Al Sad Ala [name as received], whose operation base is located in southern Lebanon, today in the city of Sidon claimed responsibility for the bloody attack perpetrated on the AMIA headquarters in Buenos Aires on 18 July.

The news was released today by the Israeli intelligence service Mosad to the head of the Secretariat for State Intelligence (SIDE), Hugo Anzorreguy, and publicly announced by President Carlos Menem over ATC.

Menem made the announcement this afternoon. He said the Mosad "told the SIDE to inform me that a terrorist group based in southern Lebanon called Al Sad claimed responsibility for the attack."

The president said: "That is the information I have received from Israel and I have the responsibility to transmit it."

Menem added: "We do not know yet if the group is a branch of a larger group that is also active in Lebanon: Hizballah."

The president said: "I suppose that as of now, the intelligence services operating in Argentina, that is, the CIA, the Mosad, the Spanish intelligence service, the FBI, and our intelligence services, will start operating on this basis."

The president said the group that claimed responsibility took its name from "the place where there is a jail where many people involved in this war in the Middle East are being detained."

"At least we already know, based on the information that originated in Israel and that I have given you, which terrorist group blew up, regrettably, the AMIA headquarters," the president said.

Menem said "the group is called Al Sad, which in principle makes reference to God. Al is God and I think Sad means jail to some extent."

Menem said the information on those responsible for the attack was "serious" because "the source" was the Mosad.

SIDE Chairman Hugo Anzorreguy, in turn, this afternoon confirmed that he had received an official communication from the Mosad stating that the terrorist group Al Sad Ala had claimed responsibility for the attack against the AMIA headquarters in Buenos Aires.

Anzorreguy said the terrorist group "could be one of Hizballah's many branches." The Hizballah is a pro-Iranian organization. It was linked to the attack from the very beginning.

Protest Rally Held

PY2307014094 Buenos Aires Telefe LS84 Televisora Network in Spanish 2200 GMT 22 Jul 94

[Text] We will now report on a protest demonstration staged today by a group of Jewish religious people some 150 meters from the site of the explosion. The demonstrators carried banners demanding a quick clarification of the attack from the government.

[Begin demonstrator Shmuel Kornblit recording] We are staging this rally at the corner of Cordoba and Pasteur Streets. I am Shmuel Kornblit. I direct the Zionist Youth Movement Bney Akiva and I am the spokesman of Rabbi Avi Weis, who came especially from New York to be with relatives of the victims and to ask the Argentine Government to do something similar to what was done in New York. We organized this rally to demonstrate what we think. Last time—when the Israeli Embassy was blown up—there was a demonstration. That time a single demonstration was not enough. Yesterday we had a demonstration and people asked me: Why another demonstration? Because last time a single demonstration was not enough. This time we will continue until we can see that several things are done to capture those responsible for the attack or until we see that everything possible to that effect is being done.

The rabbi received faxes from New York Governor [as heard] Mr. Giuliani and New York State Governor Mario Cuomo. He has letters addressed to the President directly. One of the letters, I think it is signed by Mr. Cuomo, says that he wants those responsible for the attack to be apprehended. What we are saying is that without justice, we will not have peace. If terrorists see that in Argentina—the country where we live—those responsible for the attack are not apprehended, they will realize that the door is open. Mr. Cuomo says if we do not capture these criminals, we might regret another attack later. [end recording]

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'Suspicious' Visits to AMIA Reported

PY2307024194 Buenos Aires Telefe LS84 Televisora Network in Spanish 2200 GMT 22 Jul 94

[Text] You recall that a taxi driver called Jorge told a radio station in this capital that on the night of 17 July [the day before the bomb attack], he picked up a German couple from a hotel in the Retiro neighborhood and that the couple asked him to drive them to 600 Pasteur Street [the AMIA address].

The man, in a very suspicious manner, got out of the car and asked the woman to drive on. The taxi, with the woman inside, went around the block and a few minutes later returned to pick up the man.

Today, a different taxi driver—named Alfredo, 36—said that at 0500 on 18 July [the day of the bombing], he took the same couple from the same hotel in the Retiro neighborhood and drove them again to 600 Pasteur Street. All the details are included in this report by Omar Fajardo:

[Begin unidentified taxi driver recording] On 18 July, before the bombing incident, I drove past Viamonte and Pasteur. I saw a white pick-up truck stationed there. A man was removing a box, a military box [as heard], and a roll of wire. At that moment a car moving fast passed me on the left and stopped where the pick-up truck was parked. The drivers then started talking. I got mad and wanted to stop the man to ask him what he thought he was doing. A woman and a man were inside the car. The woman looked about 55 and the man about 45. The car had a Montevideo license plate with the number ending in 229. [end recording]

The testimony of this taxi driver, who was interviewed by Telefe Noticias, was complemented today by the testimony of another taxi driver called Alfredo, 36, from Formosa. He told Radio Mitre that in the early morning hours of 18 July he drove to the AMIA center, taking the same German citizens that another colleague called Jorge had driven to the area some five hours before. Alfredo said that around 0500 on 18 July he picked up a German couple at Hotel Plaza and that the couple asked him to drive to 600 Pasteur Street. When they arrived at the area where the AMIA building is located, the man stepped out of the car with a big blue sack, which he had difficulty carrying. Just as on the previous occasion, the woman asked him to drive around the block and pick up her friend a few minutes later. When they returned to pick up the man, he had the sack in his hand, but it was empty. The couple was taken back to the Sheraton Hotel, in Retiro.

Alfredo's story complements Jorge's story. Jorge has already testified before Judge Juan Jose Galeano [the judge in charge of the investigation]. Alfredo, who provided this new testimony on the AMIA attack, said he will also testify.

Iraqi Suspect Released

PY2307015594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2256 GMT 22 Jul 94

[Text] Buenos Aires, 22 Jul (NA) — Iraqi citizen Adnan Mohamed Yousif [name as received], who was arrested in Paso de Los Libres for his alleged connection with the attack against the AMIA headquarters, was released today for "lack of evidence" ["falta de merito"]. The decision was handed down by Judge Juan Jose Galeano, who is in charge of the investigation.

Yousif was arrested by the Border Guard in the border city of Paso de Los Libres because his documents were not in order. The Iraqi, who was a member of his country's Army for several years, has lived for some time now in the Brazilian city of Uruguaiana.

Car Bomb Used in Attack

PA2307222194 Paris AFP in Spanish 1832 GMT 23 Jul 94

[Text] Buenos Aires, 23 Jul (AFP)—Official and Argentine Jewish community sources confirmed today a car bomb was used in the attack on the Israeli Mutual building in Buenos Aires. The number of dead people increased to 52 today.

Alberto Piotti, Buenos Aires security secretary, said the investigators "are certain the walls of the car bomb were reinforced to ensure the shockwave would reach the building."

Defense analyst Lieutenant Colonel Carlos Doglioli supported this hypothesis, saying a suicide driver carrying more than 100 kg of the explosive known as amonal could have perpetrated the attack.

Israeli and Argentine Civil Defense first aid experts rescued more victims today from the debris of the building, which housed the Israeli-Argentine Mutual Association (AMIA), and are expecting to find more, because there are approximately 60 people missing.

According to preliminary figures, the attack left 52 people dead and injured another 160 as the seven-story building collapsed onto its foundation.

Doglioli explained amonal is a "pasty" explosive "placed atop the chassis [cajas] of the vehicle," and he added amonal can be bought in Argentina from only two private companies and from two companies belonging to the state enterprise Military Manufacture. Doglioli also said: "This undoubtedly confirms the presence of a local support group."

The local media have given credit in that regard to reports supposedly attributing the attack to a Lebanese extremist organization called Al Sad Ala (Followers of God), despite doubts expressed by Argentine authorities.

Meanwhile, Abdul Karim Paz, director of the Tahuid Mosque, strongly denied the Argentine Moslem Shiite community had any connection with the incident.

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Rescue teams continued to work tirelessly amid the dust and debris and managed to retrieve files containing documents on the activities of Nazi refugees in Argentina after World War II.

Books were also recovered in good condition from the valuable Jewish Library, which contained 71,000 books, of which 200 incunabula [incunables] are believed to be missing.

Ana di Lorenzo, director of the state-run Genetics Information Bank, has said although only 37 bodies have been identified, the remainder could be identified by conducting genetic tests.

Hundreds of the victims' relatives are anxiously waiting for information on missing individuals, while suspicion is growing they may be dead under the mountain of rubble.

In an action that increased the fears among the large Jewish community in Argentina, unidentified individuals stole an FM radio transmitter and left anti-Semitic messages at a radio station in the city of Tandil (in the southern area).

Death Toll Increases to 54

PA2407005494 Paris AFP in Spanish 2252 GMT 23 Jul 94

[Text] Buenos Aires, 23 Jul (AFP)—The number of deaths in the attack against the Israeli Mutual Association building in Buenos Aires rose to 54 this Saturday after two more bodies were recovered from the debris, rescue groups have reported.

The bodies could not be identified due to their advanced state of decomposition, after remaining under a mountain of rock, iron, and dirt for six days.

The number of bodies that have been identified remained at 37 and the number of hospitalized victims at 52, many of whom are listed in critical condition, health sources reported.

Approximately 60 people have been listed as missing, and hundreds of their relatives have marched in front of the offices of the Jewish community's Cultural Center in Argentina looking for information and social assistance.

Rescue patrol experts dispatched by Israel carried out their fifth day of intense work, in conjunction with Police Department firemen and members of Argentina's civil defense. Nonetheless, several volunteers are cooperating with them, forming long lines of helpers to clear the area of debris.

The explosion that destroyed the office of the Israeli-Argentine Mutual Association (AMIA) on 18 July was caused by a car bomb, according to the hypothesis of official investigators.

The Lebanese extremist group Al Sad Ala (Followers of God) have claimed responsibility for the attack, but the authorities of that country have questioned the group's ability to execute such an attack.

Armed Forces Report Discusses Falkland 'War Crimes'

PY2207134294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1844 GMT 16 Jul 94

[Text] Buenos Aires, 16 Jul (NA)—It was learned today that the Armed Forces report on presumed war crimes during the Malvinas Islands conflict says that investigators were able to prove the existence of crimes such as "assassination, attempted homicide, and commissioning prisoners to carry out dangerous tasks."

The official Argentine investigation was carried out by an investigative commission created by the Defense Ministry. The inquiry started when the British judicial branch decided to investigate the possible violation of war laws some 18 months ago.

In the report, Armed Forces coordinator Brigadier Eugenio Miari stressed the need "to try those responsible for proven violations." On 14 July British courts announced that the country would not try any English military for lack of conclusive evidence.

According to the report published today by CLARIN, the alleged crimes committed by British soldiers and proven by the investigative commission include "Corporal Jose Carrizo's attempted homicide, Noncommissioned Officer Felix Arturo's homicide, the assigning of dangerous tasks to prisoners, Port Darwin explosion [as received], and the homicide of soldiers wounded in combat."

The report also makes an in-depth analysis of the circumstances surrounding the sinking of the cruiser General Belgrano. The conclusion presents two alternatives: "To conduct a more detailed investigation or to create a new investigative commission."

The document centers its efforts on placing the case within the framework of international laws in effect and in accordance with the obligations of Argentina and the United Kingdom under the Geneva Convention and other instruments mentioned by wartime laws.

The investigative commission concludes, in accordance with current rights granted by those instruments (investigation, trial, and punishment of war crimes), that "it is a state obligation to look for the individuals accused of committing, or ordering others to commit, grave violations."

The report adds that the individuals charged with violations must be forced, "no matter their nationalities, to answer charges in court, during the conflict or in peacetime."

The report states that the investigation will lead to "a clear" identification of those responsible for the violations, adding that Argentina could have the United Kingdom's cooperation to this effect because the case is

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within the Geneva Convention regulatory framework and is based on investigations already carried out by Scotland Yard.

Bolivia

Resignation of Government Minister Denied

PY2307024794 La Paz Television Nacional Network in Spanish 0100 GMT 23 Jul 94

[Text] Regarding the alleged resignation of Government Minister German Quiroga, he himself said: No comment.

[Begin recording] [Reporter Mario Espinoza] There are rumors again about the resignation of Government Minister German Quiroga. Quiroga didn't say much to journalists.

[Unidentified reporter] [question indistinct]

[Quiroga] Since 6 August 1993 [presidential inauguration date].

[Reporter] Are you willing to continue in your position after 6 August?

[Quiroga] I just said: No comment.

[Reporter] [question indistinct]

[Quiroga] Because I am in a hurry.

[Espinoza] But Social Communications Minister Ernesto Machicao denied Quiroga's alleged resignation.

[Machicao, in progress] ...and perhaps make this a closed issue. The alleged resignation the media have reported does not exist. Minister Quiroga did not submit his resignation to the president. The president has no intention of making a cabinet reshuffle; he said this personally. The cabinet is working as a solid team; therefore, there is no such resignation. [end recording]

Article Says Drug Enforcement To Be Reflected in Elections

PY2307032494 Cochabamba LOS TIEMPOS in Spanish 17 Jul 94 p A6

[Article from the "Eyeglass" column: "The Drug Paranoia"]

[Text] The delirium of persecution we are suffering in the country for supporting the U.S. paranoia about drugs will have future consequences in the national life that will certainly be reflected in the 1997 elections.

I don't know what is happening to us because so much insistence on the issue of cocaine is numbing our sense of criticisms and we are accepting more attacks as something quite natural. Sometimes I ask myself what Simon Bolivar would have done if the Spanish Army of 1825 had sent troops to carry out "reconnaisance and persecution" tasks in the nations liberated by the liberation army. I am sure he would have not allowed it.

The uproar created by deputies and political leaders—who are now in the government—when the Paz Zamora administration announced the arrival of a group of U.S. advisers is still fresh in our memories. Former President Paz Zamora had to ask the U.S. Embassy to hold the advisers in Lima before the situation got worse.

Now they are not advisers; they are reconnaisance, tracking, and supply airplanes which will fly over the national territory without making Bolivians nervous in response.

It is even worse; the environment of legal insecurity in which Bolivians live is really reflected in the attacks being carried out against the peasants of the Cochabamba tropical region, who are suffering confiscations without any court order or the intervention of the Attorney General's Office, as if they were Serbo-Croatians in an internal civil war.

Let me repeat: These attacks will be strongly reflected in the results of the 1997 elections. The government, which does not seem to realize that, has an unusual talent for opening fronts in all sectors of the nation, including a respectable and respected institution such as the Catholic Church, to which millions of Bolivians belong.

Government, Coca Growers Disagree on Eradication Procedure

PY2207205494 La Paz Television Nacional Network in Spanish 0100 GMT 22 Jul 94

[Text] Government officials and peasants in the Chapare region are accusing each other of not fulfilling their promises.

[Begin recording] [Reporter Mario Espinoza] The coca eradication issue has become a vicious circle. The government says that coca eradication must be done first, before alternative development is implemented. The peasants say alternative development must be first, before coca eradication. Peasant leader Evo Morales, who again denounced the poor treatment of peasants by members of the Special Antinarcotics Force—which was obviously denied by the government—said there is no alternative development.

[Morales] We have eradicated over 26,000 hectares of coca. Our contribution has been effective in fighting drug trafficking. Unfortunately, the government has not complied with Law 1008, which says that eradication must be done in parallel with alternative development.

[Espinoza] The government says that while this is not true, there is room for dialogue, and this is something worth pointing out, because the dialogue went beyond the meetings usually held for the purposes of confrontation. Government official Enrique Ugalde—you can see him on the screen—was telling Evo Morales: I'll bet you,

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Evo, that the only thing you are seeking is reelection in your union. But Evo Morales said: I'll bet you, Enrique, that the only thing you are seeking is to protect your salary. But Enrique Ugalde explained the government position to us:

[Ugalde] We have the funds to replace coca in the Chapare, but they have to eradicate coca first. We now have $21 million for the rest of the year. We signed an agreement last March, the growers promised to eradicate coca voluntarily, and we promised to get the $21 million. They did not fulfill their promise. We have $21 million, $13 million from SAID [expansion unknown] and $8 million from the United Nations. We have this money for disbursement now if they start the eradication program.

[Espinoza] But Evo Morales told us something interesting. Morales said: I was in a peasant community in the Chapare where no coca is grown; they only grow citrus products. The peasants said that as we don't have coca, we have no alternative development. This is why we are growing coca, to see whether the government helps us. Government Minister German Quiroga said this was not true.

[Quiroga] No, that is just what Evo Morales' group contends. That is not true. I would like to see a group of reporters stay a couple of days in the Chimore garrison, and I believe you had a chance to be in Chimore a few days ago. There are hundreds of peasants, and I am not exaggerating, who come to give thanks that there is finally order in the Chapare.

[Espinoza] Whether or not there is order, the peasant leaders in Chapare are especially concerned because the price of coca has fallen dramatically, and it is easier to carry out alternative development. [end recording]

Air Force To Establish Maintenance Center

PY2207225494 Cochabamba LOS TIEMPOS in Spanish 17 Jul 94 p A2

[Text] La Paz, 16 Jul—The Bolivian Air Force (FAB) officially announced on 16 July that it will establish in the medium term a "large aeronautical maintenance center" in Cochabamba, and will provide permanent "high-technology" services for airplanes. This is prompted by FAB's decision to effectively contribute to the implementation of the laws on educational reform, popular participation, and capitalization.

FAB Commander in Chief General Jose Perez Ortiz announced that the above project is part of the "Institutional Recovery Plan" that the FAB general staff has drawn up for the next two years.

According to Gen. Perez Ortiz, the implementation—in the medium term—of significant organizational measures that will yield benefits for the civilian population and military personnel stationed in Cochabamba, is aimed at "bringing the FAB closer to the people so as to help overcome burning social needs to the extent possible." The FAB also reported that the Cochabamba Military Aviation Politechnical Institute will start admitting interested civilian male and female students.

Brazil

Government Willing To Help Investigate Attack on AMIA

PY2307021494 Sao Paulo GAZETA MERCANTIL in Portuguese 21 Jul 94 p 2

[Article by Maria Helena Tachinardi in Brasilia]

[Text] The Argentine Government still has not asked Brazil for any assistance in investigating the possible involvement of Arab citizens who live on the two countries' mutual border in the worst political attack in Argentine history, an attack that may have caused the deaths of more than 100 people.

Itamaraty Secretary General Roberto Abdenur returned from Buenos Aires on 20 July. In the Argentine capital, he attended a political coordination meeting with his Argentine colleague Fernando Petrella, Argentine Defense Minister Oscar Camilion, and Argentine Foreign Minister Guido Di Tella. Abdenur said the Argentine Government has never asked for help and that if it does "the Brazilian Government will give its total support."

In this way, Abdenur denied the rumor spread by the Buenos Aires newspaper CLARIN to the effect that "the Argentine Government has complained about a lack of cooperation from neighboring countries" in the investigation to identify bases that may be supporting terrorist movements.

Brazilian diplomats have also reported that the passport of one of the main suspects—an Iraqi citizen—was not issued in Brazil, as reported in Buenos Aires, but by the Iraqi Government. Itamaraty, however, could not state whether the suspect lives in the town of Uruguaiana, on the Rio Grande do Sul State- Argentine border.

The Justice Ministry stated on 20 July that it could not comment on the issue because it had not received any request for assistance from Itamaraty. The Federal Police Department of Social Communications has reported that remarks made by Nilson de Souza, Foz de Iguacu Federal Police chief inspector, are valid. Souza deemed "exaggerated" the rumors spread by the Argentine Intelligence Service about an alleged lack of cooperation in the repression of Islamic groups who act on the border, which results from Brazilian and Paraguayan policies.

PT Budget Amendment Proposals 'Political Opportunism'

PY2207175094 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Jul 94 p A4

[Article by Mara Bergamaschi]

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[Text] At the beginning of the week the PT [Workers Party] had at least one good reason for pardoning PSB [Brazilian Socialist Party] Senator for Rio Grande do Sul Jose Paulo Bisol. As did the vice presidential candidate on Luiz Inacio Lula da Silva's ticket, 26 of the 36 members of the PT bloc in the Chamber of Deputies submitted individual amendments to the Union's 1994 budget. In addition to disregarding the recommendations by the Budget CPI [Congressional Investigating Committee], almost all of them signed 25 proposals for the use of federal funds. This is the highest number of proposals that each lawmaker can submit to Congress.

The PT, which in the past had been against modifying the budget in Congress, this time accepted the rules of the game. In May, a PT bloc meeting prohibited PT members from submitting amendments on the grounds that Congress would not adopt the budget preparation methods suggested by the CPI. The decision, which was published in internal bulletins, was canceled a few days later. "The pressure from mayors and popular movements made the bloc reconsider the decision," said the deputy for Sao Paulo, Jose Genoino, who is one of the eight lawmakers who did not change his position against submitting amendments.

In addition to joining the fight for federal funds, the PT—which advocates the inclusion of "national social programs" in the budget—used in its amendments the political opportunism that it had always criticized in its adversaries. For example, the deputy for Rio Grande do Sul, Jose Fortunatti, PT leader in the Chamber of Deputies, submitted 25 amendments for transferring more than $23 million to Rio Grande do Sul counties.

On orders from the party, each lawmaker providing 10 of his 25 amendments for the use of PT mayors. As the 27 deputies each filed all their 25 proposals each, at least 270 amendments were filed among PT-managed counties. These amendments, which the deputies signed on blank forms, were filled in by the PT advisory board in the Chamber of Deputies.

Several amendments favored Tres Marias, a Minas Gerais county that Lula visited last week. The deputy for Rio de Janeiro, Wladimir Palmeira, signed an amendment worth $250,000 for building waste water treatment plants. The deputy for Minas Gerais, Tilden Santiago, also wants to transfer more than $2 million to Tres Marias for infrastructure facilities.

Other counties benefiting from the PT amendments are: Belo Horizonte (Minas Gerais), Angra dos Reis (Rio de Janeiro), Ipatinga (Minas Gerais), Goiania (Goiania), Rio Branco (Acre), Londrina (Parana), Quixada (Ceara), Icapui (Ceara), Maceio (Alagoas), Agua Branca (Alagoas), Ribeirao Preto (Sao Paulo), Santos (Sao Paulo), Cosmopolis (Sao Paulo), Vinhedo (Sao Paulo), and Agudo (Sao Paulo).

Support for Cardoso Increasing; Lula Behind in Sao Paulo

PY2107124594 Rio de Janeiro JORNAL DO BRASIL in Portuguese 20 Jul 94 p 6

[From the "Report JB" column by Ronaldo Brasiliense and Anabela Paiva]

[Text] In the race for Planalto Palace, Fernando Henrique Cardoso has for the first time left Luiz Inacio Lula da Silva behind in Sao Paulo, which is the largest electoral college in the country.

The preliminary results of a poll conducted by the Vox Populi Institute—in which 3,000 people were interviewed in 140 counties—indicate that Cardoso is supported by 31 percent of the voters, while the Popular Brazil Front candidate, Lula, is supported by 29 percent.

In interviews in which the people were simply asked for whom they would vote, Lula was supported by 21 percent of the people and Cardoso by 20 percent. In the last poll conducted by Vox Populi in Sao Paulo, in which people were asked whether they would vote for Lula or for Cardoso, Lula received 14 points more than Cardoso.

The poll's main surprise, however, is the performance of Eneas Carneiro, of the Party for the Redefinition of the National Order, who has 4 percent of the voters' support and is ahead of Leonel Brizola [Democratic Labor Party] and Esperidiao Amin [Progressive Renewal Party].

In his main area of support former Governor Orestes Quercia—of the Brazilian Democratic Movement Party—remains third with 10 percent of the Sao Paulo residents' votes.

PT Withdraws Budget Amendments After Lula's Drop in Polls

PY2207210194 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Jul 94 p A5

[Article by Joao Domingos]

[Text] Brasilia—The drop in Luiz Inacio Lula da Silva's popularity in the polls for the presidency has led the PT [Workers Party] congressional bloc to withdraw all 650 amendments that its members had submitted for the 1994 Union General Budget. "We are very much concerned about Lula's drop in popularity," said Jose Fortunatti, PT leader for Rio Grande do Sul. He admitted that the fact that the PT has submitted amendments to the Union budget has weakened the Popular Brazil Front candidate. In its 11 July issue O ESTADO reported the number and nature of the budget amendments submitted by the PT.

The amendment withdrawal announcement, which was made by Fortunatti, also entails self-criticism for the PT. "We admit that our amendments were wrong," he said. Fortunatti said the mistake was general, and was made by the experts and lawmakers. For example, some

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amendments were based on the dollar value in force in April 1993, at 28.4 cruzeiros, while others placed the dollar at 1,700 real cruzeiros, its value in May 1994.

The PT retreat was decided after a meeting of PT deputies on the morning of 20 July. Considering that Senator Eduardo Suplicy—the only PT representative in the Senate—submitted no budget amendments, the withdrawal decision was made by the deputies. Like Suplicy, some PT deputies did not submit amendments, such as the deputies for Minas Gerais, Paulo Delgado, for Sao Paulo, Jose Genoino, and for Bahia, Jaques Wagner.

The main political reason for the PT decision was Lula's campaign. Yet the party note announcing the decision did not mention this concern. It only commented on the commission's mistakes.

Amorim: Foreign Policy Returns to 'Reality' After Collor

PY2207144094 Rio de Janeiro O GLOBO in Portuguese 17 Jul 94 p 32

[Article by Mirian Guaraciaba and Ascanio Seleme]

[Text] Brasilia—Foreign Minister Celso Amorim is categorical: Brazil does not ask permission to take initiatives, such as negotiating the reinstatement of Cuba into the inter-American system, and demands from all countries a modern and respectful partnership. Attitudes such as that of the United States—whose representatives in Brasilia have been subjecting Brazilians to humiliation in granting them visas—have been irritating the Foreign Ministry. Recently a former foreign minister and a member of the current foreign minister's staff had difficulty in obtaining visas to transit U.S. territory.

The Foreign Ministry's concerns in the framework of the Franco administration and under Celso Amorim's management are not limited to the First World. On the contrary. Currently, and on its exclusive initiative, Brazil is conducting intense negotiations to end the economic blockade imposed more than 30 years ago on Fidel Castro.

This policy is closer to our reality. Currently we are intensifying our relations with South Africa, the foreign minister said in an exclusive interview with O GLOBO.

During Franco's administration the Foreign Ministry has resumed its policy of showing abroad what Brazil really is. In Amorim's definition, this is a policy of genuineness, occurring after former President Fernando Collor tried, through decrees and rhetoric, to include Brazil in the bloc of developed countries.

It gave the impression that we were not among the developed countries because of the Foreign Ministry, and not because of our social-economic conditions, Amorim said ironically.

Minister Amorim said he hopes that the new president, no matter who that is, continues the policy of integration among Latin American countries and among the Portuguese-speaking countries, in addition to intensifying trade relations among these countries. Amorim recalled that the implementation of the real, the new Brazilian currency, has been having positive echoes abroad. As an example, he mentioned the other countries' interest in investing in Brazil, as England recently did—it invested $300 million in the country—and as France and the ROK will.

Foreign Policy

"Continuity is a characteristic of Brazilian foreign policy, which functions as an advisory body to the president. It is a solid institution, but it is easy to see the contrasts between the foreign policies adopted during the Collor and Franco administrations. The rhetoric adopted by the Collor administration focused on admittance to the First World. The Franco administration, however, has returned to the country's reality. We all want to join the First World, but we know that we will not be able to so through decree."

Africa

"President Itamar Franco is again giving special attention to Africa, our border across the Atlantic Ocean. The other day, on my way to Senegal, I found out that Natal, the capital of Rio Grande do Norte State, is closer to Dakar than to Porto Alegre, the capital of Rio Grande do Sul State, not to mention the distance that separates Natal from Acre State. I had the opportunity to find this out because the Brazilian Air Force plane taking me to Dakar did not have enough fuel to get to Porto Alegre. This shows that we have very important work to do with regard to Africa. We also want to have a special relationship with South Africa. This, however, will probably take some time to become reality, as the country is still being reorganized."

Cuba

"We do not want a role as protagonists in the American continent's process of detente. President Itamar Franco, however, was very shrewd in saying, in his letter to President Fidel Castro, that he wanted to replace the stagnation of confrontation by the dynamics of dialogue. In this aspect the country made an advance, and the president innovated with regard to his predecessors and won a victory. Brazil did not consult anyone before taking this initiative on Cuba. It is clear that we have been sensitive to the signs that have appeared in the international scenario, but the initiative was exclusively Brazilian. In this regard, Brazil never acts on anyone's behalf or asks for anyone's permission. We must create a dynamic way of enabling the inter-American system to absorb Cuba, and for Cuba to implement the necessary adjustments for its reinstatement. Cuba is already doing this in the economic field. It has opened its economy to foreign investment in fields in which we have some difficulties, such as oil and telecommunications. Cuba

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has implemented a practically complete economic opening, and its economy offers opportunities to Brazilian enterprises."

Cuba and the United States

"Cuba is not only an issue for U.S. foreign policy. I would not be indiscrete in saying that it is also an issue in U.S. domestic policy. I do not know, however, whether the initiative will have an immediate effect. I told this to the Cubans. These things do not have an immediate and mechanical response. One has to gradually establish the atmosphere."

The United States

"The United States is one of our main economic and political partners. But we are not Siamese twins. Our interests are different and, in such cases, I defend Brazilian interests. Our relations with the United States, however, have never been better. I would say that they have not been this good for many years, but we want a mature partnership. I have already discussed that with them. A good ally is not the one who always says yes, but one who can disagree and, by disagreeing, help find a better solution. The stage of 'what is good for the United States is good for Brazil' was just a phase, which is now over."

U.S. Visas

"This is a significant problem as it affects the citizens, and has a great impact on public opinion. I believe there are problems on both sides. Our laws are very rigid, and grant the Foreign Ministry very little flexibility in granting visas that meet each person's position. We grant businessmen coming to Brazil permission to stay for very short periods of time. This is a mistake. There is a draft bill at Congress that seeks to change this legislation. This bill, however, could still be improved. I want to point out that the alleged reciprocity position adopted by the United States in reducing the visa period and charging taxes for granting visas is not related to the humiliations to which Brazilians who want to obtain visas to the United States are exposed. This is another matter. The reality is that former ministers, former foreign affairs ministers, have been forced to fill out forms stating that they are not involved with drugs. These kinds of things have been occurring, but I would rather not reveal the names of those who have been exposed to this sort of embarrassment. A few days ago the U.S. Consulate denied a visa to a former minister because it deemed that the passport presented by him was not adequate for his position. These are absolutely absurd reasons. Members of my staff, who have diplomatic passports, have had to pay for visas to make stopovers in the United States as if they were tourists. If things like that occur at this level, it is easy to imagine the situation of a simple Brazilian citizen. This is why we cannot say that all the problems faced by Brazilians wanting to obtain visas to the United States are a result of the reciprocity issue. This is not true."

Menem

"It is not up to me to comment on this incident, but it would have been better had it not occurred. Nonetheless, further consequences have been avoided. According to President Franco's decision, however, the incident is over."

Foreign Trade

"We offer support mainly to the owners of small- and medium-sized enterprises because the owners of the large ones have their own contacts and information. We cooperate precisely in situations in which the presence of the government is important, particularly with regard to the African and Asian countries. The role of the Brazilian embassies and trade offices cannot, however, be reduced, particularly as Brazil has been indicated as eligible for a permanent seat on the UN Security Council. We naturally have concrete plans for Brazil's commercial development. It is hard to say, however, what results can be attributed to the work of diplomats. I was in France a short time ago, and used the long-standing French-British rivalry. I reported that England was doing this and that in Brazil. A few weeks later, the French minister of foreign trade paid a one-day visit to Brazil, and said that he would return to the country leading a delegation of businessmen."

Fernando Henrique Cardoso

"I believe that Cardoso would innovate in some aspects of our foreign policy, but as a whole he would continue the current policy. This would be natural because I myself have continued his work at the Foreign Ministry."

Lula

"Brazilian foreign policy has been characterized by great continuity. There could be a few modifications here and there, but first let us see who will win in the elections, as this has not been decided yet."

Haiti

"We strongly condemn the Haitian dictatorship, and support all the sanctions imposed on the country. We believe, however, that the Haitian problem calls for multilateral initiatives. Unilateral actions must be avoided, because one day the cause may seem fair and the following day it may seem unfair. Brazil will not fail to contribute to the consolidation of democracy in Haiti after Aristide's return. We would like to wait a little longer to feel the effect of the most recent sanctions against those who govern or control the country, such as the suspension of airline flights, the blocking of bank accounts funds, and the difficulty in obtaining visas. We want to allow at least a small period of time for the effect of these sanctions to begin to be felt. But we will by no means recognize Cedras' administration. He is playing with fire and with time. Sooner or later he will recover at least a modicum of common sense. We thus prefer to reach this objective through peaceful means."

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Foreign Minister Discusses Policies on Cuba, Haiti

PY2207134994 Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Jul 94 p 12

[By correspondent Mario Andrada e Silva in London]

[Text] London—The United States is running the risk of becoming isolated in a political discussion about the future integration of Cuba into the international economic community and in the eventual removal of the military junta currently governing Haiti. The moderate positions maintained by the governments of Brazil, Canada, and Mexico will both sponsor Cuba's gradual integration into the Central American trade and defense system and lead to international pressure against the Haitian military instead of military action.

Reforms

During an official visit to England, Brazilian Foreign Minister Celso Amorim said that the economic embargo on Cuba will never be able to promote the political reforms the United States expects from the Cubans. He also said that Brazil prefers to wait to see the results of the new package of measures against Haiti approved by the UN Security Council before thinking of discussing possible military actions. "It is logical that given the political importance and economic weight of the United States, it could never be treated in an isolated manner from the political point of view. What is being discussed about Cuba is a diplomatic negotiation process. A peaceful reform is preferable to a stagnant situation like the one created by the embargo. The position of Brazil and, from what I have learned, of Canada and Mexico, is to negotiate a transition from Cuba's isolation to its integration into the continent. Dialogue is better than an embargo or isolation," Amorim said during an exclusive interview with JORNAL DO BRASIL.

Haiti

In the case of Haiti, Amorim also foresees different approaches between Brazil and the United States. The participation of Brazilian troops in a military action is practically ruled out. "Brazil would participate with troops in an action against the current Haitian Government only if the following three conditions were met: First, if the current UN Security Council package of sanctions fails; second, if the United Nations decide to implement a multilateral military action, an action which the Brazilian troops would join under the UN flag and command; and third, if the National Congress approves the participation of Brazilian troops as established by the Constitution. I think it is more probable to think that Brazil would send troops in a second stage of the political conflict, in case the United Nations were called to establish a peace force to reestablish democracy. That could only happen after the first part of the problem, the removal of the current Haitian Government, is solved within the institutional framework of the UN Charter," Amorim said.

Courtesy

Amorim's visit to the United Kingdom is taking place at a time when the two countries are experiencing frank rapprochement with a permanent exchange of diplomatic and economic courtesies. The Brazilian foreign minister is spending five days in London in return for the visit to Brazil paid by British Foreign Secretary Douglas Hurd in May. "The main objective of my visit is to give a political component to our relations which have always been mutually profitable, to establish a concept that will guide these diplomatic relations, and to coordinate common actions between the two countries in the international field, recalling that Brazil and the United Kingdom have a very similar vision of their respective areas of participation in multinational organizations, like the EU and the Mercosur [Common Market of the South]. "Our interest in the integration of the Southern hemisphere must not affect our interest in the integration of the multilateral trade system. This is a position that is very similar to that of the British in relation with Europe," Amorim said.

Piranha Missile To Be Tested in Beijing

PY2207173594 Sao Paulo ISTOE in Portuguese 20 Jul 94 p 34

[Article by Jayme Brener and Helio Contreiras]

[Excerpts] During the time of the Cold War every missile manufactured in the West, even before leaving the assembly line, already had a predetermined target: the communist bloc. Yet the collapse of communism has caused a turnaround as far as the old targets are concerned. For instance, the Piranha air-to-air missile, one of the last survivors of the proud Brazilian materiel industry of the 1970's and 1980's, will now be tested in China, which is ruled by the Communist Party. The reason that gives the Piranha testing such a bittersweet taste—typically oriental—could not have been more capitalistic: the low price. Each set of aerodynamic tests at the supersonic wind tunnel of the Beijing Institute of Aerodynamics (BIA) will cost between $300 and $350. The same test would cost three times as much in the United States, Germany, or Canada. Lieutenant Brigadier Hugo de Oliveira Piva, retired, who designed the Piranha, told ISTOE that "although Western facilities are more sophisticated, the Chinese equipment fully meet the needs of the Piranha project."

The Brazilian Air Force (FAB) had entrusted the task of developing the missile to the Mectron company, which is based in Sao Jose dos Campos, Sao Paulo State. The first prototype will be tested next year. Officially, the FAB is still considering international bids for conducting these tests, because the Sao Jose dos Campos-based Aeronautical Technology Institute (ITA) has only a small wind tunnel. A delegation of Indian scientists will visit Brazil late in July in an attempt to take the Piranha tests to their country. FAB sources do not believe, however, that India's bid could be lower than $700,000. Brigadier

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Nelson Taveira, director of the Aerospace Technical Center (CTA), said: "The tests could be conducted in any of the countries with which Brazil maintains space cooperation programs: France, China, Great Britain, or the United States." Yet the price will be a decisive factor in choosing where the tests will be conducted. Everything indicates that the Brazilian missile will make a stopover in Beijing. The FAB has already informally authorized Mectron to conduct tests in China beginning in December, and two Mectron engineers visited the BIA facilities in Beijing last month. [passage omitted]

The Piranha tests in Beijing should expand military and aerospace cooperation between Brazil and China, which has markedly increased in recent years. An agreement signed six years ago will make it possible for the first of two observation satellites included in the Brazilian-Chinese space project to be launched in 1996. The satellites will be placed in orbit by a Chinese Long March-4 rocket. Chinese Defense Minister Chi Haotian made an official visit to Brasilia in April; that is, two months before the Mectron engineers' visit to Beijing. During his visit, Chi was of course entitled to a quick trip to Sao Jose dos Campos.

U.S. Company Wins Bid for Amazon Region Surveillance System

PY2207124894 Sao Paulo AGENCIA ESTADO in Portuguese 2252 GMT 21 Jul 94

[Text] Brasilia, 21 Jul (AE)—The federal government today reported that the U.S. company Raytheon, which leads a consortium of 25 national and foreign enterprises and companies, won the bid for the implementation of the Amazon Region Surveillance System (Sivam). Sivam is comprised of 14 radars and other equipment worth an estimated $1 billion, its objective being to maintain control over the largest forest area on the planet and allow the implementation of sustainable development in the Amazon region, in addition to making air traffic more secure in the region.

This news was disclosed after an almost two-hour meeting at Planalto Palace attended by President Itamar Franco, Finance Minister Rubens Ricupero, Planning Minister Beni Veras, Air Force Minister Lelio Lobo, and Strategic Affairs Secretary Mario Cesar Flores. At the meeting President Franco was informed of the system used for choosing the winning consortium in a process that lasted six months.

According to the norms established by the Brazilian Government, the enterprise chosen to implement Sivam will have to provide integral financing for the project, which is to be implemented in eight years. Another demand by the Aeronautics Ministry, which conducted the bidding process together with the Strategic Affairs Secretariat, is that 50 percent of the equipment to be installed has to be manufactured in Brazil.

In addition to Raytheon, the following companies will participate in Sivam's implementation: Tasc, MDA, Expertsoft, the University of New Hampshire, Campbell Scientific, Enterprise Electronic Inc., Viz Meteorological Instruments, STS, Ericsson, Mackay, Sutron, MCR, Seaspace, ASIL, SAC, Audor, Deadalus, Watkins-Johnson, TCI, Westinghouse (foreign) and Infranav, Brazilian Aeronautics Company, Tecnasa, and IBM of Brazil (national).

Chile

Foreign Travel Permission Refused to Stange

PY2207163594 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 22 Jul 94

[Text] The government has not authorized Carabineros Commander Rodolfo Stange to travel to Peru. The Carabineros director had planned to attend an international military police meeting.

The reasons that compelled the government not to authorize General Stange's trip are not known, but it is believed that in so doing the government is expressing its dissatisfaction with Stange's decision to remain in his post as Carabineros director.

When President Frei requested Stange's resignation in view of Judge Milton Juica's ruling in the case of decapitated Communist leaders, General Stange said:

[Begin Stange recording, in progress] ... and therefore, I will not retire. [end recording]

Although the military court has absolved Gen. Stange of charges of nonfulfillment of military duties and obstruction of justice, the government upheld its position and reasserted that the high-ranking Carabineros officer does not enjoy its trust. It is under these circumstances that Gen. Stange resumed his duties last month.

The Carabineros director had requested the defense minister's authorization to travel to Peru from 25 to 27 August to attend the international conference of military police. The group's last conference was held in Santiago two years ago. At the time, Gen. Stange assumed the presidency of the assembly in his capacity as host. He was scheduled to hand over the presidency of the assembly at the upcoming Lima meeting.

This situation reveals the existing tension between the government and Gen. Stange, who was not received by Frei on 18 July on the occasion of his full resumption of his post. The government has decided that Gen. Stange will not be present at any official ceremony attended by the president.

Colombia

Guerrillas Clash With Police, Army in Meseta

PA2307040294 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 23 Jul 94

[From the "Seven O'Clock Newscast"]

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[Text] Guerrillas of the 40th Front of the Revolutionary Armed Forces of Colombia clashed with police and Army units for five hours within the city limits of Meseta Municipality, Meta Department. The rebels sustained three casualties in the fighting.

Rebels Attack 5 CIA's; 2 Dead

PA2307035894 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0230 GMT 23 Jul 94

[From the "QAP News" newscast]

[Text] Attention: We have more on a last minute report on a guerrilla ambush tonight in the southern part of the capital. We have received video footage from the attack site. Military vehicles are at this moment on their way to La Estrella neighborhood, where some incidents have been reported.

The official balance is as follows: Guerrillas have attacked five CAI's [Immediate Attention Center]. Suboficer Nancy Rodriguez was killed, and one police officer was also killed.

This is the CAI attacked by the rebels on the roadside [video obscured]. Army troops are moving this way now.

Military forces continue to advance to the attack site and Ciudad Bolivar, where tonight's guerrilla attack took place. Guerrillas have attacked various areas in southern Santa Fe de Bogota.

We all remember that two or three days ago—on Tuesday evening—the rebels attacked La Calera Municipality, just a few kilometers from Santa Fe de Bogota. Today they launched an attack in the southern part of the capital. We ask you to stay tuned to this network for further last minute reports on the guerrilla attack in southern Santa Fe de Bogota.

Operation Counters FARC Attacks; 3 Dead

PA2307202094 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 23 Jul 94

[From the "Cripton Newscast"]

[Excerpts] The most recent attacks by the guerrillas against three CAES [Anti-Extortion and Anti-Kidnapping Commands] in Ciudad Bolivar, a neighborhood in Santa Fe de Bogota, have resulted in the deaths of two policemen and one youth. Three other people were wounded. At least 150 subversives were involved in the assault on one of the capital's most populous neighborhoods.

At 2035 last night, 150 FARC [Revolutionary Armed Forces of Colombia] guerrillas waged simultaneous attacks in the areas of San Joaquin, Lucero Alto, and Vista Hermosa. Immediately after the attacks, a response team from the (Meisen) police station was dispatched to the scene of the attacks. A noncommissioned officer, who had been in the force 10 years, was shot on the head and died at the scene.

The operation to counter the guerrillas began immediately. Two Army and police counterguerrilla squads, accompanied by "Cripton Newscast" journalists, began to walk up the hill leading to Lucero Alto. Shots and explosions rang out, and fires filled the entire area.

General Luis Enrique Montenegro and General Rosso Jose Serrano led the operation to hunt down the guerrillas.

[Begin Montenegro recording] There is a great deal of blood at the scene of the attacks. Apparently, some criminals have been killed, and we are looking for bodies. The criminals have also injured civilians. [end recording]

The joint operation lasted throughout the night.

Despite the police counterattack, the guerrillas continued attacking civilian targets throughout the night until and into the early morning. Six hours following the beginning of the subversive attacks, policemen from the (Meisen) police station spotted about 20 rebels coming down the hills of Ciudad Bolivar. Policemen responded promptly, forcing the rebels to flee through a deserted area of the neighborhood. For the policemen, the following hours were filled with anxiety and uncertainty. Searches were intensified and security forces were placed on maximum alert. [passsage omitted]

At daybreak, police received a phone call to disarm a petard, and the antiguerrilla operation continued. Around 0800, policemen recovered a rifle and a grenade the guerrillas had hidden in the area. After 12 hours of intense operations, members of the National Police were finally able to reestablish public order in this area of the capital. At this time, normal activities are resuming amid relative calm.

Military Camp Attacked; 10 Soldiers Killed

PA2407035194 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 24 Jul 94

[From the "AM-PM" newscast]

[Text] Three FARC [Revolutionary Armed Forces of Colombia] fronts attacked a military camp in Pagado, located in Uraba, Antioquia Department. According to preliminary reports, 10 soldiers were killed, and 36 are missing. Ten wounded soldiers were transferred to Apartado. The soldiers were protecting a camp belonging to a public works enterprise that is building a road in that area.

Clashes continued practically all day. The armed forces used helicopters and supersonic Kafir fighter bombers. The Army claims to have inflicted 20 casualties on the guerrillas. Colonel Francisco Diaz, Armed Forces information chief, read the report:

[Begin Diaz recording] The Armed Forces General Command informs the public that on the evening of 22 July, self-styled FARC rebels attacked a military unit that was

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protecting the machinery and installations of the enterprise Conciviles, which is working on the Dadeiba-Mutatan road, Antioquia, in the Pegado area.

The military unit resisted the terrorist attack and courageously fought back, inflicting approximately 20 casualties on the rebels, according to the search and intelligence operations being conducted.

Even though the rebels outnumbered the soldiers, they fled without accomplishing their objective of subduing the troops. As a result of the guerrilla incursion, 10 soldiers were killed; six were wounded, and four are missing. [end recording]

Guerrillas Seeking Dynamite Held Off

PA2507033994 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 25 Jul 94

[Report by Hans Sarmiento in Pegado, Antioquia Department; from the "AM/PM Newscast"]

[Text] The hunt continues today for guerrillas who attacked a military camp yesterday in a rural area in Dabeiba Municipality in Uraba, Antioquia Department. There are reports of 30 dead between soldiers and guerrillas.

There are reports of heavy clashes and ceaseless pursuits by land and air. Soldiers have killed 20 guerrillas, but here are the facts: There are 300 FARC [Revolutionary Armed Forces of Colombia] guerrillas who have studied their adversary, who know the area well, and who surrounded the area in search of 400 kg of dynamite without thinking what price the dynamite will exact in the lives of other Colombians. Opposing them are 80 dispersed men who are not properly entrenched, who are trying to save their own lives, and who have left behind boots, underwear, and blood-stained love notes. The situation was absolute impotence. That is why Luis Palacios, the camp's guard, armed with a machete, was not about to argue with the guerrillas' Galil rifles, mortars, and M-60's.

[Begin Palacios recording] I hid back there when the shooting began. I dropped to the ground because my kid was out fishing and I wanted to find him. The soldiers wanted to shoot me because they thought I was a guerrilla when they saw me walking. [end recording]

The attack began at 1700. The guerrillas left at 1000 the next day after burying two of their dead. Army reinforcements arrived at 1300. The peasant's only defensive tactic was to raise a white flag.

[Begin unidentified woman recording] My husband said: These are the guerrillas who attacked the soldiers. What shall we do? What shall we do? I replied: Let's drop to the ground. Let's drop to the ground quickly with the children, quickly. We ran inside and shut ourselves in. [end recording]

Then came the Army threats.

[Begin recording] [Unidentified speaker] They said that people in this area were all a bunch of bastards and that everyone was rotten to the core.

[Sarmiento] Who said that?

[Speaker] A lieutenant. I don't know his name. [end recording]

Today one can see an Army that patrols with an air of victory because they hurled the dynamite into the river; the fearful people of Mutata, who bear the stigma of being a political stronghold of the Patriotic Union; a police garrison that is afraid and seeking refuge in the village dance hall because their station has been blown up three times by guerrillas; and a road to the sea that a civilian company began building 10 years ago which perhaps will never be completed.

Cache of Dynamite Found; 11 Arrested

PA2307152294 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 22 Jul 94

[Text] Santa Fe de Bogota has turned into a veritable powder keg. Officials from the Attorney General's Office have discovered several tons of dynamite and have arrested two people who were storing the explosives.

The Attorney General's Office reported that 250 kg of dynamite was found in a cache hidden north of Santa Fe de Bogota. Several Chinese-type bombs comprising dynamite and shrapnel could be fabricated from the materials confiscated. These bombs are similar to the type used to kill General Carlos Julio Gil Colorado in Villavicencio.

Experts from the Attorney General's Office were led to the cache through an informer's telephone call. Several families lived in the house where the 2,000 sticks of dynamite were found. The owners said they had rented the room to a 22-year-old man who almost never came to the house.

[Begin unidentified speaker recording] On Thursday, he rented the room and left a number of shoes strewn across the floor. A white station wagon arrived yesterday morning with those boxes. The men told me it was merchadise they were taking to Fipama. [end recording]

In the operation, 11 people were arrested altogether. The investigators believe that many more sticks of dynamite that had been stacked in cupboards may have been transferred elsewhere in Santa Fe de Bogota. Agents from the Attorney General's Office are still raiding other places in the city.

[In a related report, Paris AFP in Spanish at 1738 GMT on 22 July transmits a 200-word, Santa Fe de Bogota-datelined item that says the dynamite was intended to be used in attacks at El Dorado International Airport and a nearby Colombian Air Force base. The AFP report, citing sources within the Attorney General's Office, says the planned attacks were to be part of a "Farewell to

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Gaviria" operation being waged by Colombian guerrillas to mark the end of Colombian President Cesar Gaviria's term on 7 August.]

Citizens Caught in Cross Fire

PA2507043094 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 25 Jul 94

[Report by Astrid Elena Villegas; from the "AM/PM" newscast]

[Text] It was visiting day today for the Voltigeros Battalion, but several relatives found their soldiers in the Apartado mortuary. They came from several Uraba municipalities and villages to collect their sons who died in combat, some waiting several hours for coffins to arrive from Bogota.

In addition, two wounded soldiers were transferred to the Military Hospital in Bogota, two were hospitalized, and two more were discharged. Several of the killed soldiers were minors and were in an antiguerrilla area despite the fact that they had just recently begun their military service.

[Begin unidentified parent recording] He was only serving the draft; nothing else. He needed his service card to be able to work. [end recording]

Over the past few months combat in this area has been frequent. There has been so much disrespect for the civilian population that last week the Army and guerrillas faced each other here in Policarpo, one of Apartado's most heavily populated neighborhoods.

Uraba residents have been under seige since the guerrilla offensive began on 20 July. Both the television repeater and a power tower were blown up, leaving the town without electricity for a week. The guerrillas have not claimed responsibility for that attack.

[Begin unidentified resident recording] Some gasoline stations aren't selling fuel so we are left without transportation. [end recording]

Yesterday, in the midst of the deployed Army, the guerrillas blocked the road between Turbo and Apartado.

This morning there was further harassment in the Policarpo neighborhood, and the situation is still not under control.

Interview With Defense Minister-Designate

PA2207191694 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 22 Jul 94

[Telephone interview with Dr. Fernando Botero, defense minister-designate, by Caracol News Director Dario Arizmendi in Miami and unidentified reporters at the Caracol studios in Santa Fe de Bogota, from "Caracol's 0600 to 0900" newscast—live]

[Text] [Reporter] Dr. Fernando Botero just returned from a well-deserved vacation abroad following a grueling electoral campaign. Dr. Botero, good morning. Welcome back to the country. You returned at a time of criminal escalation by the Simon Bolivar National Guerrilla Coordinating Board [CNGSB]. What is your opinion about the situation created by the CNGSB, Mr. Minister?

[Botero] Good morning, and good morning to all Caracol listeners. I returned to the country yesterday and attended General Gil Colorado's funeral. The transition process with the current Defense Minister Dr. Rafael Pardo is advancing quickly. Of course, the main issue has been public order—the escalation of terrorist attacks in various parts of the country.

We will meet to discuss this issue today, and we will continue to hold meetings with the minister and with the commanders of the various branches of the military—the Army, Navy, and Air Force—to establish the most favorable conditions possible for 7 August, when the new government assumes direct responsibility for the handling of the country's public order situation.

[Reporter] Mr. Minister, according to certain intelligence agencies, this criminal escalation is a CNGSB action designed to, quote, say good-bye, unquote, to President Cesar Gaviria, with whom the CNGSB engaged in an unsuccessful peace dialogue. What can the government of President Samper—a government that assumes office on 7 August—say to the CNGSB, considering this could also be viewed as an act to apply pressure on the next administration for the establishment of a peace dialogue with rebel groups?

[Botero] In this regard, there are two points worth mentioning. First, the next government will repel this terrorist escalation with all of the necessary determination, vigor, and firmness. There can be no doubt about this; we will act with all the necessary vigor and intensity to face this challenge. Second, throughout his campaign, the president-elect said categorically and repeatedly that he sees no possibility of negotiating on the issue of terrorism. He said this clearly throughout the campaign, and he reaffirmed this recently. This means that these kinds of actions by the guerrillas—the murders and the ambushes—are creating a climate that will make any kind of dialogue impossible or extremely difficult.

Therefore, they are using the least advisable tactic if their goal is to apply pressure to establish a dialogue, because the position of the new government is very clear: It will not be intimidated or pressured into establishing a dialogue through terrorist acts.

[Reporter] Dr. Botero, we understand that those who are talking about giving a terrible good-bye to the Gaviria administration are making a mistake in terms of the incoming administration of Dr. Samper?

[Botero] This is very obvious. This is a very bad decision that deserves the repudiation of the incoming government and all of Colombian society, because there can be

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no dialogue based on terrorist acts. The president-elect was very clear about this. He will not negotiate on the issue of terrorism.

[Reporter] There has been criticism of the Armed Forces' actions. It is said that these actions are short-sighted and that intelligence agencies have failed to anticipate these kinds of actions. What is your opinion about this, Dr. Fernando Botero?

[Botero] I think that military intelligence is an area on which we must focus much of our work. I will be personally concerned with reinforcing and strengthening military intelligence. We cannot, however, deny that this intelligence has borne important fruits in recent months—for example, in the Caraballo case. It is, however, clear that this could be reinforced and improved.

Nevertheless, I want to clearly state that this is no time to judge the Armed Forces or to push their backs up against the wall. Quite the contrary, I think that now is time to support the military, which is doing patriotic and valuable work with a great courage to face a dilemma and a problem that is very serious—namely, the problem of terrorism. This is a problem that affects Colombia and many other countries—France, the United States, and England to just mention a few. These are countries that have also experienced the scourge of terrorism, and we can see that these countries have very advanced police and military forces. It is extremely difficult to fight terrorism. Therefore, what Colombia is doing is truly courageous and important.

There is a need to support the Armed Forces, and, of course, after 7 August, we must strengthen areas such as military intelligence—areas in which we can undoubtedly make important improvements.

[Reporter] Dr. Botero, a television newscast revealed last night that Samper's campaign reportedly held a private meeting with the CNGSB. According to the newscast, Horacio Serpa Uribe [government minister-designate] led the commission that reportedly talked with CNGSB representatives. These reports also said that you are optimistic regarding the possibility of reaching an agreement with the CNGSB. To what extent are these reports true?

[Botero] I think there is very little truth in this. Concerning the reference to myself—that I was optimistic about such an effort—those who know me also know that this idea is completely contrary to my way of thinking. I am very hesitant and skeptical about such talks when there is no clear willingness to attain peace, or when there is no clear commitment to lay down arms and to renounce violence. I am very reluctant, and I have said this on several occasions before Congress and the media.

Concerning the reports regarding my position, those reports are entirely false. As far as Horacio Serpa is concerned, it would be worthwhile to ask him directly. Nevertheless, as far as I know, there was no secret commission or discussions whatsoever. Serpa has only talked with demobilized guerrillas, with whom he may have discussed the future of public order and peace in the country, but I do not believe he conducted any secret talks or negotiations during the campaign.

[Reporter] We are currently talking with Defense Minister- designate Fernando Botero. This edition of the newscast originates in Miami, where our News Director Dario Arizmendi is at this moment. Dr. Botero, we would appreciate if you could answer a few questions Mr. Arizmendi will ask you from Miami. Good morning, Dario.

[Arizmendi] Good morning, Carlos and Defense Minister-designate Botero. The public order issue is the leading concern of the entire Colombian community living in the state of Florida—Caracol's audience in Miami. Dr. Botero, will the new government of Ernesto Samper Pizano draw a line between terrorist actions before and after 7 August, or will it take into account the escalating violent actions in recent weeks when it establishes its position on whether to hold regional or national talks with the guerrillas?

[Botero] Good morning, Dario. I want to clarify something: The new government does not consider the recent wave of violence as an attack against the government of President Gaviria but, rather, as an attack against Colombian society as a whole. Consequently, there is no way President Samper can consider this recent wave of violence as past history after 7 August. He cannot forget all of the killings perpetrated before 7 August. The new government has never considered doing this.

We are studying the public order issue in a comprehensive manner, considering incidents in the past, present, and future. The new government will definitively not accept this strategy of using terrorism as a weapon to press for dialogue. The new government will not begin any dialogue unless there are very serious and concrete conditions that show a true desire exists to lay down the weapons and to make peace in Colombia.

[Arizmendi] Will these talks be regional, or is there going to be a central dialogue with the CNGSB if the conditions or circumstances you have mentioned exist?

[Botero] Dario, the issue of a national dialogue, which is undoubtedly the best way to advance these talks, is part of the comprehensive peace policy that will be among the most important topics of the inaugural speech President Samper will give on 7 August. President Samper will thoroughly review his peace policy in his speech, and, consequently, I do not want to give any further details about what he will tell the country. This speech will undoubtedly deal with the issue of national dialogues and the possibility of other talks in the future.

[Arizmendi] People are also wondering when will the new national government, which takes over on 7 August,

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make changes regarding the so-called military leadership. Traditionally, whenever a new government takes over—on 7 August every four years—military changes are announced either at that time or in December. What are the new administration's plans in this regard?

[Botero] The new administration has already expressed its views in this regard, and it has directly told Armed Forces Commander General Gil that, other than routine changes, it has no plans to make any changes in the military leadership. There will be no shakeup in the military hierarchy. No arbitrary changes will be made. A very serious, systematic, and measured study on the status of the various officers will be conducted to determine which should be the normal course for promotions to be issued in the next government.

There will not be any surprises. There will not be any abrupt changes. On the contrary, there will be a desire to work harmoniously to form the best team possible to face difficult challenges, such as the ones we have are facing in the areas of drug trafficking, common crime, and the guerrillas.

[Arizmendi] Does this mean that Gen. Octavio Vargas Silva, Santa Fe de Bogota police chief, has the full temporary support of the new administration?

[Botero] We have an excellent opinion of Gen. Vargas Silva. I have had the opportunity to meet with him and to get to know him. I have seen his curriculum vitae. I believe he is an officer who deserves the respect and support of...

[Arizmendi, interrupting] There are departments and cities that are being severely clobbered by terrorist actions, specifically Santa Fe de Bogota and Cundinamarca. Currently the attention of approximately 7 million Colombians is focused on this. Will there be a special plan to reinforce security and vigilance aimed at avoiding terrorist attacks as those staged in [words indistinct] and in La Calera?

[Botero] The current issue, undoubtedly, is to find ways to prevent and predict these kinds of actions by the guerrillas while recognizing the enormous difficulties that exist in doing so. In other words, terrorism has that sole advantage—the surprise factor—and there is enormous difficulty in anticipating these kinds of situations. At the same time, however, terrorism has never signified nor has it been an effective political strategy. It always generates immense opposition from public opinion, as currently is happening in Colombia. We are certainly going to work with Rafael Pardo in this transition process to guarantee the best possible way—I am sure this can be achieved—to predict and anticipate these kinds of actions that harm the nation so very much and are so seriously affecting the Colombian people.

[Arizmendi] Is your trip still on—the one you will be taking to Washington with the minister-designates of the Justice and Foreign Relations Ministries to Washington to meet with high ranking U.S. Government officials on Monday and Tuesday?

[Botero] Some 10-15 minutes ago the visit was confirmed. Rodrigo Pardo, Nestor Humberto Martinez, and I will be present at a series of meetings with State Department officials, the secretary of defense, the DEA, and other U.S. institutions that work in the struggle against drug trafficking. Nevertheless, this visit will not be shaped solely around the drug trafficking issue. It is a very clear goal of President Samper to ensure that relations with the United States are wide-ranging and that they are not limited to the drug trafficking issue exclusively. He thinks it is indispensable to denarcotize [desnarcotizar] relations with the United States. Consequently, this visit not only deals with the drug trafficking issue; it also deals with issues such as trade, economic cooperation, the exchange of evidence. In other words, we are looking at a much broader range of issues than just the issue of drug trafficking.

There will be a very intense agenda, not only with the government, but also with the U.S. Congress, and with THE WASHINGTON POST and THE NEW YORK TIMES, which are two very influential media, to explain the real situation facing Colombia, as well as the immense contributions our country has made in the struggle against drug trafficking in recent years.

[Arizmendi] One can draw from your words that you will have a wide-ranging agenda in Washington beginning Monday. It seems this meeting will practically decide the institutional relations between our country and the important northern nation, right?

[Botero] I believe it is a visit that is important. Moreover, I believe the atmosphere is favorable. Little by little, there is an understanding of what the situation in Colombia is truly like. With each visit, there are more people in Washington—people in U.S. decisionmaking circles—who understand the immense sacrifice the Colombian people have made in the struggle against drug trafficking. This is why I am very optimistic that this visit will be very beneficial and will allow the incoming government to start on 7 August with a much more favorable and constructive atmosphere in bilateral relations with the United States.

[Arizmendi] You are well aware of how the U.S. Government, its institutions, and its Congress operates. What do you believe will be reaction in the U.S. Congress with respect to the letter from Ernesto Samper Pizano on the measures he plans to implement once the new administration has been installed on 7 August?

[Botero] I dare to think, Dario, the reaction will be very positive. I think it is a very serious letter that contains a very clear commitment on various issues related to drug trafficking. This is the stand of a man who was a victim of drug trafficking, as Dr. Ernesto Samper indeed was. I think the association of a person who was a victim of

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drug trafficking with a very concrete counternarcotics program will give enormous credibility to the new government in the U.S. Congress, and this will dispel doubts that certain congressmen might be harboring. I repeat, these doubts harbored by some congressmen do not reflect the open attitude expressed by the wide majority, at least within the House of Representatives. Yesterday, we were able to witness a historical workday at the House of Representatives, which was very important to Colombia and which we were able to assess, in its true dimension, the historical and far-reaching role our country is playing in the struggle against drug trafficking.

[Arizmendi] Even if you are not aware of all the ins and outs, there is a lot of interest among the Colombian people, was well as in the United States, in terms of who will replace Dr. Gabriel Silva as Colombian ambassador in Washington. When will the name of his successor be made public?

[Botero] I believe the name of the candidate will be disclosed sometime between 7 and 15 August, because most major appointments will most surely be made within the first week in office. Nevertheless, as you most aptly mentioned, I am not aware of many of the ins and outs, and it would be more fitting to ask [Foreign Relations Minister-designate] Pardo what he has in mind with respect to this issue.

[Arizmendi] For our part, we would like to announced that we here in Miami in an international link-up with Caracol Colombia. We also would like to announce to all our listeners in Colombia and Miami that we have [Government Minister-designate] Dr. Horacio Serpa on line, and we hope to speak with him soon. If my colleagues from the "Caracol's 0600-0900" newscast in Santa Fe de Bogota have any further questions for the new defense minister, please continue.

[Reporter] Thank you very much, Dario, and thank you very much, Dr. Fernando Botero. We would like to ask you a question with respect to the announcement you just made with respect to a meeting in Washington between three ministers of the incoming administration and high-ranking U.S. officials having been confirmed. On the agenda to be discussed during the Washington meeting, are there any other issues besides drug trafficking?

[Botero] In effect, a significant part of the efforts undertaken by President Samper are related to denarcotizing our relations with the United States, and, in general, with the rest of the world. Relations with Colombian should not be exclusively limited to the issue of drug trafficking, when there are other major issues that are fundamental to the United States and other nations, and most naturally to Colombia. It is for this reason that we have made it absolutely clear during our meetings with U.S. Government officials that the objective of the visit is not limited to covering drug trafficking issues, but that it will be much more wide-ranging, and that issues such as trade, economic and justice cooperation, and others related to bilateral relations should also be discussed. As result of this, the visit will cover other issues and not exclusively drug trafficking.

Remarks on Possible Peace Process

PA2407042494 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 24 Jul 94

[From the "AM/PM" newscast; passages within quotation marks are recorded]

[Text] Two weeks before President-elect Ernesto Samper assumes power, there seem to be more differences than agreements between the guerrillas and the new government for a possible peace process. The bridges toward peace seem to be very hard to build. Both sides speak two completely different languages, and at the end of this tunnel of confrontation, there is only a small ray of light for possible regional talks.

We have interviewed Fernando Botero Zea, the next defense minister:

[Botero] "If regional dialogues are accepted, they would have to be nationally oriented."

While guerrillas talk by using force, the next government will entrench itself in formulas that are as familiar as they are unsuccessful.

[Botero] "If the guerrillas continue this demented, terrorist activity, the possibilities for a dialogue will be, naturally, closed."

At this stage, President Cesar Gaviria and Samper's peace strategies seem to follow the same pattern. Here are the conditions to begin the dialogue:

[Gaviria] "They must actually express beforehand their commitment to definitely lay down their weapons."

[Botero] "There must be a clear and concrete desire to lay down their weapons before considering those possibilities."

[Unidentified reporter] "Negotiations in El Salvador were held during the war."

[Botero] "Latin American experiences are important, but we must live the Colombian process. I believe the broad majority of Colombians do not want a dialogue based on terrorism."

In that regard, Botero added:

[Botero] "The new government's position on the subject of peace, in general, will be essentially defined in President Samper's inauguration speech on 7 August."

Article Views Recent Guerrilla Activities

PA2507134994 Santa Fe de Bogota EL TIEMPO in Spanish 17 Jul 94 p 27A

[Article by Miller Rubio]

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[Text] On 14 July at 1930 GMT, Eli Ramirez, mayor of Orito (Putumayo), accidentally came across something that, just a few hours later, would swell into a violent escalation of terrorist attacks in the southern and northern parts of the country.

Ramirez was traveling through a wooded area with the manager of ECOPETROL [Colombian Petroleum Enterprise] when their escorts suddenly found themselves in a crossfire of machine-gun bursts, which forced them to turn back toward Orito. Later, the guerrillas staged attacks in the departments of Putumayo, Caqueta, Norte de Santander, and Narino, killing 18 soldiers.

This was the first phase of an offensive which, according to a DAS [Administrative Department of Security] study, has been set in motion by the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] to prove its military power to the new government and to create a backdrop for the upcoming mayoral and gubernatorial elections, which are of interest to the insurgents who intend to regionalize future peace talks.

Early in 1994, the FARC [Revolutionary Armed Forces of Colombia] distributed among its commanders a "basic manual" which contained a plan aimed primarily at rapprochement with municipal administrations that they would later use to exert pressure on the new government.

In reality, what the "manual" imparts are instructions to impose the insurgents' views on various issues on regional administrations. These are the views the insurgents will propose at the bargaining table in the event the new government resumes the dialogue.

The fact is that because the CNGSB dismissed any possibility of dialogue with President Cesar Gaviria's administration at the end of 1993, many analysts believe the insurgents are waiting for Samper to take office.

The FARC in its "program for a government of reconstruction and national reconciliation," has stepped up its efforts to impose on municipalities the issues that will be discussed at the negotiations.

Meanwhile, the ELN [Army of National Liberation] is attempting to draw closer to civic and labor organizations to penetrate local administrations and expand its influence with a view to obtaining greater support from the people for political purposes.

In the specific case of the EPL [Popular Liberation Army], its men are currently focusing on reorganizing their military apparatus because the setbacks suffered by the organization, whose top leaders have been arrested, have left its membership in disarray.

Therefore, the true intention of the CNGSB translates, at a political level, into the exertion of pressure on mayoral and gubernatorial hopefuls so that "they will enter"—the DAS says—"conversations with the insurgents and pledge to serve as their spokesmen in ranking government circles."

The Military Option

"The short-term plan the 'CNGSB' has outlined for itself"—the DAS document points out—"includes stepping up disruptions of public order to foster anxiety, intimidate political leaders, and hinder the development of the electoral campaigns."

However, beyond terrorist actions such as those reported on 15 July in the southern and northern parts of the country, the guerrillas in the past six months have split their forces to avoid large-scale actions on their fronts and to have a broader range of activity in their areas of influence.

In turn, the ELN has strengthened the "Benkos Biojo" column in an effort to direct the neglected black population in the Pacific region.

Currently under way is the process of restating what the CNGSB has dubbed "joint actions," which are designed to establish joint commando units with members of various insurgent organizations to conduct criminal actions. Nevertheless, this has generated a sort of "banditry" in their actions because, by dispersing their men, it is more difficult to control them.

In the political-military sphere, the guerrillas have increased their "public trials" against political leaders whom they murder to portray themselves to the public as defenders of the community's interests. DAS statistics show that the guerrillas have murdered 87 leaders in illegal trials over the past two years.

The kidnapping of four mayors in Narino, which has been linked to the military onslaught, proves that the guerrillas have set in motion a strategy in which over the next two months they will place key men in municipal administrations to create new opportunities for a subversive presence.

"With these terrorist tactics"—says the DAS—"they hope to place some of their movement's members or collaborators in local administrations or establish conditions whereby other political sectors would be forced to create alliances; in this way, they are seeking active participation in regional administrations and in the distribution of budgetary funds."

The fact is that today the Colombian guerrillas are exerting pressure on 249 municipalities throughout the country. The figures are staggering: The DAS study on the guerrilla phenomenon indicates that throughout national territory the guerrillas control an estimated 40,000 aides who logistically support the insurgent groups operating in the country.

Proof of the guerrillas' powers of intimidation in municipal capitals throughout the country is the growing number of threats, kidnappings, and murders of mayors who are controlled by insurgent organizations.

Between January 1993 and February 1994, statistics show that in addition to the murder of mayors and local

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leaders, 18 other leaders were wounded in insurgent attacks and another 30 were kidnapped as a means of forcing them to yield to the guerrillas' plans to expand and control local budgets.

What will follow, in the opinion of DAS analysts, is a wave of mayoral kidnappings. The administrations of these mayors will be subjected to public trials to pave the way for the people to vote for the candidates proposed by the subversives in towns whose municipal treasuries they want to control.

The ELN, in its so-called "alternative economic plan," is attempting to infiltrate government institutions and programs to divert resources into the organization. Consequently, pressure will be exerted on mayors to attend meetings, receive instructions on the positions they should assume during any future peace processes, and even hinder public force actions against insurgent organizations.

De Greiff Warns Medellin Cartel 'Still Alive'

PA2507135694 Paris AFP in Spanish 1723 GMT 21 Jul 94

[Text] Santa Fe de Bogota, 21 Jul (AFP)—Colombian Prosecutor General Gustavo de Greiff has said Colombian groups that deal with illicit drug trafficking are still alive and that Pablo Escobar's death did not put an end to the Medellin Cartel.

De Greiff said, "Unfortunately, the drug cartels are still very much alive," adding, "This proves the uselessness of the war we are waging, because nothing is gained by removing those people the United States points out as being the capos or leaders of these groups."

In statements for Santa Fe de Bogota Radio Cadena Nacional, De Greiff warned: "This business is still alive because the profits are so huge that simple repression cannot force the drug traffickers to stop trafficking."

De Greiff, in reference to the limitations in fighting organized crime, also stressed, "there are thousands of drug traffickers, but we know only a few hundred."

Regarding the Cali Cartel (a criminal organization that according to the DEA exports 80 percent of the cocaine that enters the United States), De Greiff said he does not understand why "they get so angry in the United States when one says that this group does not exist as a monolithic organization controlled by only three or four people."

De Greiff explained there are several organizations that work independently of one another, or on certain occasions carry out joint operations, but there is no definite structure as there is in the Medellin Cartel.

After calling the drug cartels enemies of society, De Greiff said we must know the enemy in order to best know how to fight it, "otherwise, we will delude ourselves into believing that, if we remove three or four leaders identified by the United States, drug trafficking will end."

De Greiff used as an example Pablo Escobar, leader of the Medellin Cartel who was killed by police on 2 December 1993.

"It was believed that with the end of Escobar, drug trafficking in Medellin would stop," De Greiff said. He added, however, that according to investigations conducted by his office, "drug trafficking is active in that area and is being carried out by other organizations that have been reborn and now have the advantage of not having to render accounts to the former leader of the cartel."

Narcotics Investigation Center Inaugurated

PA2207230594 Santa Fe de Bogota EL ESPECTADOR in Spanish 14 Jul 94 p A-11

[Text] Santa Fe de Bogota—Colombia will share its antidrug trafficking experiences beginning today by inaugurating the Center for International Narcotics Investigation and Research (CIDNE), which will operate under the National Narcotics Directorate.

The idea is to design and implement a system for investigation and research on drug-related issues in which public as well as private investigative agencies can participate.

CIDNE is under the direction of Julio Enrique Torres, who says Colombia has firsthand knowledge on the narcotics problem and knows of its origins and cultural, social, environmental, and economic impact.

Eight individuals experienced in the following operations and planning areas will staff the center: design, planning, and evaluation; management and coordination of national and international investigations and research; communications systems and networks; dissemination and publication; documents center; advising; consulting and training; organization of events; and one person will be devoted to the administrative and operational area. CIDNE is developing a number of research projects, such as how to control and estimate illegal crops; the impact of illegal crops on the environment; a map of the risks and effects; an inventory of narcotics investigations and researchers; coordination of epidemiological research; and design of investigative methods.

The idea, however, is for the center to coordinate university research, NGO's [nongovernment organizations], and other private agencies that have the know-how to conduct research. The resources of international organizations will be distributed among these agencies, and agreements will be established with other data centers in countries, such as Peru and Argentina.

Gaviria, Minister-Designate Welcome U.S. House Vote on Aid

PA2207200394 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 22 Jul 94

[From the "Midday Newscast"]

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[Text] The incoming government that will be inaugurated on 7 August has described as beneficial the U.S. House of Representatives' overwhelming decision to recommend that aid to Colombia be maintained. Ricardo Canon interviewed Defense Minister-designate Dr. Fernando Botero:

[Begin recording] [Canon] What is your opinion on the change in policy within the U.S. Congress in terms of aid and cooperation with Colombia in combating drug trafficking?

[Botero] I think this represents a radical shift that shows the importance of information. When the U.S. Senate approved the famous amendment, it did not know about the position or background of Dr. Samper. As soon as it learned about these through a letter that Samper sent to the House of Representatives, there was a radical turnaround.

In short, this means that the United States changed its position in favor of Colombia after learning about the true sacrifices it has made in the struggle against drug trafficking.

[Reporter] Could this position in the House of Representatives cause a division with the Senate on this issue?

[Botero] Yes, of course. The Senate has one position, and the House of Representatives has another. I dare think, however, based on the information we have regarding the State Department's reaction to the letter, in light of yesterday's vote, there is a possibility that the Senate will agree with the House of Representatives, and, in turn, the U.S. Congress might reach a single position in favor of Colombia's position on the struggle against drugs. [end recording]

Meanwhile, President Gaviria said today that the guerrillas are trying to increase the cost of peace by attempting to beat down the next government through acts of hostility and terrorism. Gaviria also said he is pleased the U.S. Congress, through the House of Representatives, has recognized Colombia's efforts in the struggle against drug trafficking. Let us listen to excerpts of the statements he made minutes ago:

[Begin Gaviria recording] I have said repeatedly that it is advisable and necessary for the country to follow an autonomous policy, because we are participating in the struggle against drug trafficking on our own initiative, by our own decision, and not because of anyone's imposed policy. This does not mean that I cannot look favorably upon the reestablishment of a cooperative relationship marked by mutual respect. This is what we must always seek. The struggle against drug trafficking must take place within the framework of international cooperation, and this must comprise a respectful form of cooperation.

The decision by the House of Representatives is perfectly framed within what should be the struggle against drug trafficking. The governments of Colombia, Peru, and the United States will once again implement a program drawn up by consensus. This is how we believe the struggle against drug trafficking should be waged—not as a result of impositions but, rather, as a program of cooperation. [end recording]

Former Candidate Pastrana's Letter to U.S. Senator

PA2307161194 Santa Fe de Bogota EL TIEMPO in Spanish 20 Jul 94 p 7a

[Letter from Andres Pastrana, former presidential candidate, to U.S. Senator Jesse Helms; issued in Miami on 19 July]

[Text] Mr. Senator:

In my country's presidential elections that concluded on 15 June, I represented a broad supraparty movement that brought together members of various parties and social groups in Colombia. I lost the election by the smallest percentage ever in my homeland's history. I clearly rejected any role of drug trafficking in national life and also rejected drug legalization.

My political life has been characterized by the defense of social and national moral values, and I think this was why I became the victim of one cruelest crimes against human dignity—kidnapping.

The circumstances I have outlined give me the authority to say that the struggle against drug trafficking that has been waged in our country, especially during the four years of the current administration, has been unfailing and courageous. I could list the prominent leaders, magistrates, judges, journalists, and soldiers who were killed while defending their principles, but this is well-known, and the international community should not forget this. I, however, wish to focus on the virtual elimination, at the hands of our own security forces, of the Medellin Cartel following the deaths of its top leader, Pablo Escobar, and a number of other members. Moreover, the other members of its hierarchy are in prison. This development in due time was recognized by the international community and, particularly, by the U.S. Government.

I think the support given by the White House and the State Department to the candidacy of President Cesar Gaviria for OAS secretary general was mostly in recognition of his determined struggle against all forms of drug trafficking and his commitment to international agreements in this area, among which it is advisable to mention the important Vienna Convention, which has already been ratified by our Congress.

This is why I, as a Colombian, an intransigent enemy of all forms of drug trafficking, and a spokesman for all Colombian voters, am addressing you, Mr. Senator, to say that the condemnation of our country and its government that you promoted in the Senate was unjust and not in keeping with reality. The amount of the aid in question is not very significant in monetary terms, but

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the plan to cancel this aid leads my compatriots and all of Latin America to think there is a break in the solidarity of our campaign—a campaign to which U.S. citizens and Colombians, and, I would add, citizens of the entire world, are committed in the same degree. With all due respect, I think this position was hasty and extreme and benefits no one, aside from those who are making huge profits from this criminal activity.

[Signed] Cordially, Andres Pastrana Arango

Ecuador

Government Ready To Offer Aid to Haitian People

PA2307233894 Mexico City NOTIMEX in Spanish 2022 GMT 23 Jul 94

[Text] Quito, 23 Jul (NOTIMEX)—The Ecuadoran Foreign Ministry announced today Ecuador would be prepared to offer humanitarian assistance to the Haitian people once the legitimate Haitian Government is consulted.

The Foreign Ministry issued a communique also expressing its concern over the situation of the Haitian people and stated its hopes the country will return to democratic life soon.

Due to the worsening situation in Haiti, Ecuador has urged that country's de facto government to fulfill its commitments and allow "a prompt return to democratic life to spare the Haitian people suffering."

There is a political, social, and economic crisis in Haiti "the international community cannot shun," the communique states.

Ecuador laments "the continuous human rights violations by an illegitimate government, the grave economic crisis through which the people are going, and the continuous emigration that is generating problems for the regional countries."

The Foreign Ministry stated the Ecuadoran Government has promoted at the United Nations and the OAS a search for a peaceful and democratic way out of the Haitian conflict.

He recalled the UN Security Council has asked UN member countries to participate in the UN mission "that would be deployed the moment it is decided the time is right for such a deployment" in Haiti.

Paraguay

General Comments on Military Organization

PY2207201094 Asuncion NOTICIAS in Spanish 19 Jul 94 p 2

[Interview with Army Commander General Lino Cesar Oviedo by unidentified reporter on 18 July; place not given]

[Text] [NOTICIAS] Do you think it necessary to create a new rank within the Armed Forces?

[Oviedo] I think it is bad for Armed Forces prestige not to have a four-star general in the Army or in the Air Force, or a four-star admiral in the Navy. We do not even have one for show. Bolivia, for instance, has more Army generals than the Paraguayan Army [as published]. Our country is the only nation in this part of the continent without a four-star general.

[NOTICIAS] Do you think it is viable to have a four-star admiral, or a four-star Army or Air Force general?

[Oviedo] Vice Admiral Eduardo Gonzalez Petit, the current commander of military forces, merits occupying that position. I think he meets all the requirements for that rank.

[NOTICIAS] Do you want that position for yourself?

[Oviedo] What is the difference between one star more or one star less? You only have to fulfill what is established in military regulations.

[NOTICIAS] Do you support the idea of withdrawing the petitions filed in the courts in exchange for the creation of the position of a four-star general in the Armed Forces?

[Oviedo] Of course. Our Armed Forces are the only ones without a four-star general.

[NOTICIAS] What is your opinion on politicians' use of your name in political rallies?

[Oviedo] Our sin is to have participated in the campaign to bring democracy to the country, because in a democracy anyone has the right to an opinion, which must be respected. You must listen to what the people say. I am not participating in any electoral campaign. I am not meddling in that field, either.

[NOTICIAS] What is your opinion of Retired General Regis Romero's remarks that you are being ill-advised? He thinks it is hasty to launch your candidacy for 1998.

[Oviedo] I will reiterate, once more, that I am not involved in any electoral campaign. I never entertained that idea. How could I possibly speak about something I never thought about? I have been asked that question many times. Any comment with respect to being well or badly advised is, therefore, not appropriate.

[NOTICIAS] Did you not ask politicians to stop mentioning your name at the political rallies for a certain political group, where you were being named as part of a presidential ticket?

[Oviedo] I have used the press to deny everything that politicians say. I cannot be any clearer about that. I am not interested in speaking about them. They are the ones who want to become president of the Colorado Party Executive Board, and other people want to become president of I do not know what, and so forth and so on.

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I am not involved in any electoral campaign. I am happily fulfilling my duties as Army commander, during the morning, the afternoon, and during the night. My subordinates are my witnesses. I am not involved in any of those plans they talk about.

[NOTICIAS] Will you run for president in the 1998 elections?

[Oviedo] Only a fortune-teller can answer your question, and I am not a fortune-teller. I am only an Army commander.

[NOTICIAS] What can you tell us about the combined operation with U.S. forces?

[Oviedo] The military were not opposed to the operation Strong Roads-South. (He suggested that legislators were the ones who opposed the operation). This operation will be carried out now, because conditions are currently more flexible.

Peru

Foreign Minister Rejects Armed Intervention

PY2207193794 Lima LA REPUBLICA in Spanish 9 Jul 94 pp 6-7

[Text] Efrain Goldenberg, foreign minister and president of the Council of Ministers, yesterday implicitly rejected the probable U.S. armed intervention in Haiti in order to restore democracy in that country.

"I have already said that Peru is against any type of unilateral intervention," Goldenberg said, in his first news conference with an open agenda.

In the crowded meeting Goldenberg discussed several subjects, starting from the IMF role in economic policy, the resignation of the current ministers as is traditional every Independence Day, the antidrug fight, to the current level of relations with the United States, negotiations with Chile concerning the Conventions with Lima, and abortion.

At the end of the news conference a group of reporters reminded Goldenberg that according to foreign news agencies, simulated operations to rescue U.S. citizens from Haiti had been carried out in the Gulf of Mexico by special U.S. contingents.

"I insist our position is clear and categorical in this case," he said, adding that the Peruvian position on the principles of nonintervention has been well-known for a long time, and that President Fujimori had reaffirmed it at the recent Ibero-American summit in Cartagena de Indias.

"Our position is not something just drawn up this or last year. We have been maintaining the same principles that are defended before the UN Security Council. We have been opposed to any unilateral intervention," he replied, when told that Cuban exiles in Miami had harshly criticized President Fujimori for his remarks, in an unprecedented outburst of nationalism, against the embargo on Cuba.

He was asked: Do you consider the IMF a viceroy that orders the Peruvian Government what to do as far as the economy is concerned?

Goldenberg replied that the IMF had long ago stopped being considered an evil organization, as the political stances that used to promote these kinds of theories have fortunately become outdated.

Today the whole world agrees that the IMF's approval is a "diploma of good behavior in the economic area" with which the country can receive assistance and investments, credits, etc.

"The IMF is no viceroy, as no one can force us to do anything. We negotiate with that organization by mutual agreement," he said.

At the beginning of his talk with reporters, the foreign minister stressed the role played by his ministry in promoting investments at the world level, which he called "the key to our development."

He added that this task is not only of interest to Peru, but that nowadays all countries are seeking the same thing, that is, they are soundly competing to be every day more attractive for investments, whether these be national or foreign, or both together.

Stressing the climate of confidence and investment security that prevails in the country, he said that to this date 13 binational agreements have been signed, nine of which were formalized under his management.

He added that negotiations are being carried out with another 16 countries on the four continents, and that answers to concrete proposals submitted to 11 more governments are soon expected.

"This work has generated the supplementary need to avoid double taxation and to prevent tax evasion," Goldenberg said, revealing that he is working on this matter in full coordination with Economy Minister Jorge Camet.

He said that the signing of these agreements will not bring on an immediate flow of dollars, but will create the conditions necessary for foreign investment.

"I have never liked labels, and would therefore not like to be trapped by any of them," he answered, when asked to explain the role he plays in light of President Fujimori's having termed himself the "general manager" of his administration in an interview with the international press.

"I feel like the foreign minister and president of the Council of Ministers. Those are my posts, and I try to play those roles efficiently and honestly," he said.

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In the same manner he rejected criticism that characterizes the Foreign Ministry as an office for the government's image abroad or a promoter of investments.

"The Foreign Ministry's field of action is broad and complex. The promotion of investments is one of the areas of great importance that we cannot disregard, but it is certainly not the only one," he said, adding that this is the opinion of diplomats currently working at the Foreign Ministry.

The Peruvian foreign minister said yesterday that the Peruvian and Chilean Foreign Ministries are engaged in full negotiations to perfect the Lima Conventions, with no pressures or deadlines.

"We keep talking with the Chilean Foreign Ministry, trying to reach an understanding that might be acceptable to both parties. For obvious reasons I cannot provide further details on the negotiations. There are certain types of negotiations that can only be handled discreetly," the minister answered at the first news conference during which the issue of the Lima Conventions came up often.

"Obviously I cannot go into details about the talks I am holding with the Chilean Foreign Ministry," he said.

Concerning the signing of these conventions, which are currently bogged down in the CCD [Democratic Constituent Congress] and if approved would grant Chile access rights, properties, and territories not established in the 1929 Treaty, and which prompted protests by the people of Tacna, Goldenberg said that it would be "an error of negotiation to put a deadline on talks with another country."

"It would be an error I would rather not make," he said.

Regarding the postponement of the visit by Ecuadoran President Sixto Duran-Ballen, he said Peru "waits for him with open arms whenever his government decides the time has come for the visit."

Goldenberg added that the visit has no tentative date, as this had never been established.

Goldenberg also emphasized the upcoming visit by the Colombian president and the recent visit of the Bolivian president, which were held within the framework of strengthening relations with our neighbors as part of the policy of integration.

Goldenberg added that the visit by Bolivian President Gonzalo Sanchez de Lozada has enriched Peruvian-Bolivian regional relations for the purpose of connecting the Pacific Ocean with Brazil and with the Argentine and Paraguayan northwest.

He also revealed that Peru has signed with the Andean Development Corporation (CAF) a letter of intent for paving the Ilo-Desaguadero highway linking the Ilo-Matarani segment with the Ilo-Desaguero-La Paz highway.

He added: "The letter of intent has no conditions, no ceiling, but it is for approximately $100 to $120 million."

"I am not for the legalization of drugs," Minister Goldenberg also said categorically yesterday, asserting that our country has no intention of becoming a promoter or producer of narcotics within the law.

This is how Goldenberg reacted when informed that Colombian President-elect Ernesto Samper, in an interview with ABC of Spain, had expressed concern over the world increase in drug demand and had rejected the legalization of cocaine consumption in his country.

Goldenberg also emphasized the struggle being carried out against drug trafficking by the Peruvian Police and Air Force, which in the last few months have seized larger amounts of drugs than in the past.

Bolivian President Comments on Drug Strategy

PY2207132494 Lima EL COMERCIO in Spanish 8 Jul 94 p B3

[Interview with Bolivian President Gonzalo Sanchez de Lozada by reporter identified as JCLZ in Lima; date not given]

[Text] The visit of Bolivian President Gonzalo Sanchez de Lozada was not only aimed at signing integration projects between Bolivia and Peru, but also at evaluating drug enforcement policies and the possibility of presenting a common proposal to the upcoming summit of Latin American presidents with U.S. President Bill Clinton.

The antidrug policy developed on the basis of repression, voluntary eradication, and coca replacement funcioned well in Bolivia but it seems that this policy has become exhausted.

This was the comment made by President Sanchez de Lozada when asked about his country's struggle against drug traffickers who take advantage of the economic needs of coca growers to develop their business.

Sanchez de Lozada indicated that coca production was reduced in a process without violence but he pointed out it is gradually more difficult to find the will to eradicate and replace coca.

He said: "In agriculture there is no crop that can compete with coca, especially if you are in the center of South America."

He added: "We are talking about a common problem with Peru. We are exchanging ideas to find a new strategy. We have more questions than answers. We want to exchange experiences to avoid mistakes."

[EL COMERCIO] Can alternative development or drug legalization be part of that strategy?

[Sanchez de Lozada] Drug legalization is not in our hands.

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[EL COMERCIO] But you support this proposal.

[Sanchez de Lozada] Let me say that I don't support it, but I have always seen that in human history, prohibiting a vice has never been successful. People cannot be told by decree not to fall into vice. But I am also aware that it is not a will we can impose. It must be born from an international consensus. And in our own country there is doubt legalization would be effective even if there is international consensus. There is still a long way to go. What we are searching for is a strategy to see how to extricate ourselves from this situation before it consumes or dominates us or before we fall into a whirlpool that has been terrible for many countries. And we don't want this to happen to us. Even though I believe there is some logic to legalization, it will be very difficult to impose on the developed world. It must come from the consumers rather than from the producers.

[EL COMERCIO] Will you take this issue to the December summit with the U.S. President?

[Sanchez de Lozada] We want to study and evaluate what position we will assume. We will search for more consistent and creative proposals to prevent, for example, discrimination between the countries of the area that want to join the NAFTA. It would be a pity to go to Miami and be left without a speech. We must take advantage of this opportunity.

[EL COMERCIO] And how is the rapprochement policy with the government of Chilean President Eduardo Frei progressing?

[Sanchez de Lozada] We are talking; we are not engaging in a chauvinistic confrontation. We are trying to make progress in many fields, in the economic, political, and cultural fields, and obviously looking for some solution to the 100-year-old landlocked status problem. We are also talking with Peru, because we realize that in this case three countries are needed to solve the problem.

Joint Declaration Published

PY2207173094 La Paz PRESENCIA in Spanish 8 Jul 94 p 7

[Joint declaration "in its entirety" by Bolivian President Gonzalo Sanchez de Lozada and Peruvian President Alberto Fujimori, signed in Ilo, Peru, on 7 June]

[Text]

Joint Declaration of the Peruvian and Bolivian Presidents

1. They reasserted that the solidarity and identity shared by their two peoples are the pillars of the "Grand Marshal Andres de Santa Cruz" binational friendship, cooperation, and integration project, and the expression of the interests and efforts shared by Peru and Bolivia for the better use of their resources and capabilities for the benefit of their integrated development.

2. They decided to continue promoting the Ilo agreements, with the purpose of turning the Peruvian-Bolivian border region into one of the basic axes of Latin American integration, promote economic development in the region, and promote the joining of the Pacific with the Atlantic.

3. They voiced their satisfaction with the dedication of the Huenque bridge in the binational Ilo-Desaguadero-La Paz corridor, and with the construction that will give the Ilo airport the capability of receiving international air traffic.

4. They mentioned the signing of the operation contract between the Bolivian Government and the enterprises in charge of promoting industry and tourism in the Ilo free zone. Moreover, they mentioned the fact that the CAF [Andean Development Corporation] had delivered a letter of intent to the Peruvian Government to finance the paving of the Ilo-Desaguadero highway.

5. The Bolivian president announced that the paving of the Rio Seco-Desaguadero highway will start within this year.

6. They agreed to materialize the railway integration between the two countries, in addition to looking into the possibility of joining Ilo and La Paz. To this effect the transportation authorities will meet within 60 days.

7. They agreed, in consultation with their Paraguayan counterpart, to a three-party meeting in Puerto Suarez with the purpose of establishing a multipurpose corridor linking Asuncion with Ilo and Matarani, through Bolivia.

8. They noted the importance of building the Ilo-Puerto Suarez corridor to link Peru, Bolivia, and Paraguay, and agreed to study how the Puerto Suarez free zone will operate.

9. They noted the role the Ilo-Santa Cruz corridor will play in the integration process and its link with Brazil, reasserting the need to conclude the Santa Cruz-San Matias highway project and the construction of the bridge over the Grande River.

10. They ratified the priority status their respective governments grant sustainable development and the preservation of the environment, and reasserted that Titicaca Lake represents a highly important ecological system in the role it plays in balancing the atmosphere, as a source of hydrobiological resources, and as a cultural bond between their respective countries.

11. They attributed special importance to the harmonic, coordinated, and sustainable use of the resources of the Titicaca-Rio Desaguadero-Lago Poopo-Coipasa salt marsh basin, and noted that the global binational master plan for the protection and prevention of floods and the best use of the system is the appropriate framework for carrying out actions, programs, and projects, either of a

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national or binational scope, for the use, organization, administration, control, and protection of the mentioned resources.

12. They urged their respective Foreign Ministries and appropriate institutions to quickly approve and implement the global binational director plan for the benefit of the two countries, with the purpose of reaching an agreement on the implementation of the said plan.

13. Aware of the need to achieve control over the Titicaca Lake waters for the benefit of the two countries, they urged the European Union to keep up its valuable technical and economic support to facilitate the development of such projects and their full operation.

14. They pointed out with interest the need to take advantage of the Maure River for the benefit of the two countries, within the framework of the global binational director plan.

15. They agreed to prepare integration programs in the Andean and Amazon border regions, initially in the localities of Charana in Bolivia, Puerto Pardo in Peru, and Desaguadero in both countries.

16. Within the framework of policies of respect for human rights, they reaffirmed their rejection of terrorism, which systematically violates such rights, and agreed to cooperate in an effort to eradicate this scourge.

17. They agreed on the need to establish cooperation mechanisms concerning judicial and prison matters, for which they decided to call for a meeting of competent officials of the two countries.

18. They expressed their satisfaction over the progress achieved in the round of talks between the top commands of the Peruvian and Bolivian Armed Forces, which consolidates the traditional relations, strengthens mutual confidence, and expands cooperation between the two countries.

19. They agreed to establish a top-level binational commission, coordinated by the Foreign Ministries, to prepare and implement a joint strategy to reevaluate coca, the main objective of which will be the withdrawal of this natural resource from the list of the 1961 Single Convention. Moreover, the commission will coordinate the technical and financial means to create a "binational scientific and anthropological institute on the coca leaf" in charge of studying the use of the same for illegal purposes.

20. They urged the European Union to extend the preferential tariff program granted to Andean countries affected by drug trafficking.

21. They stressed the importance of the conclusion of the multilateral trade negotiations of the Uruguay Round and the consequent creation of the World Trade Organization for the effective consolidation of an international trade based on the principles of a free market and a more stable and transparent multilateral legal system.

22. They stressed the importance of the Amazon Cooperation Treaty as an instrument for promoting and coordinating sustainable development in the region, to which effect they reaffirmed their support of the Provisional Secretariat in the preparation of regional projects and the attraction of international cooperation.

23. On the occasion of the 25th anniversary of the Bilateral Cultural Agreement they reaffirmed their commitment to strengthen their cultural relations and to preserve their ancestral links. They have thus agreed to create the "Binational Institute of Aymara Culture."

24. They agreed on the need to expand the framework of action of the bilateral agreement on scientific research and defense of the archaeological patrimony in order to include the patrimonial assets of colonial and republican origin.

25. They stressed the need to achieve an expanded, equitable, open, and harmonious regional market that will reconcile the opening process with the commitments resulting from regional integration. They also agreed that the economic-commercial scope of integration must be in line with social and cultural development.

26. They agreed to intensify and expand economic relations between the two countries. They thus agreed to promote the generation of energy and hydrocarbons integration projects, urging the appropriate officials to meet during the course of this year.

27. Within the framework of the Ilo agreements, they decided to promote the creation of private binational fishing companies and to install them, preferably, in that port.

28. They instructed the respective tourism officials to meet and design a binational strategy intended to promote receptive tourism.

29. They stressed the need to considerably increase cooperation between the two countries through the preparation and implementation of a program of joint activities, and to achieve this they called for a meeting of the Commission for Technical and Scientific Cooperation within a maximum 60 days.

30. They stressed the participation of private businessmen in this presidential meeting, reaffirming the importance of this sector's commitment to making efforts to achieve close economic complementation between the two countries. They agreed to promote studies for the creation of a neighborhood commission, entrusting their Foreign Ministries to begin preparatory actions. They also stressed the signing of the framework agreement for entrepreneurial cooperation between Confiep [National Confederation of Private Business] and CEPB [Bolivian Private Businessmen Confederation], as well as the interinstitutional cooperation agreement between the binational chambers of commerce.

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31. In order to implement the actions adopted in this declaration, they decided to call for the Eighth Meeting of the Permanent Joint Coordination Commission, to be held in Bolivia as soon as possible.

Ilo, 7 June 1994

Venezuela

Foreign Minister on Opposition to Haiti Invasion

PA2207212094 Caracas Venezolana de Television Network in Spanish 1625 GMT 22 Jul 94

[Statement by Venezuelan Foreign Minister Miguel Burelli to station president Eleazar Diaz Rangel in the studio on 22 July during the "The News" newscast—recorded]

[Text] [Burelli] Venezuela is part of the so-called Group of 4—now there are five because Argentina has joined—which is handling the Haitian issue to find a solution. The group comprises our country, the United States, France, Canada, and now Argentina. Venezuela belives a peaceful solution should be found in Haiti. It is in keeping with Venezuela's pacifistic tradition and the defense of the principle of nonintervention.

Having said this, it is not easy given the complications that have arisen because of the stubborness of the Haitian military. This situation has drawn out the process of finding a solution which that nation, so beloved by Venezuela, has hoped for. It is not only a matter of democracy but of the well-being the country has been deprived of and for which the whole hemisphere is in debt. Our position is the same as always: a peaceful solution. When this problem that has the whole hemisphere hanging by a thread is solved, we must take actions that will allow Haiti to change its circumstances based on human development and the creation of infrastructures so this Haitian tragedy is not repeated.

Venezuela is an enemy of all embargoes and blockades, regardless of which nation is the target. These actions adversely affect the people, who are the innocent parties in this drama. Therefore, the objective is to eliminate the factors that led the OAS and the United Nations to jointly enforce an economic embargo of Haiti and to stop the suffering of a people who even without the blockade were already suffering a great deal.

Up until yesterday—I refer to the last OAS General Assembly in Belen—it was said that the approved sanctions had not successfully tightened the blockade aimed at forcing the military to depart. It was demonstrated that the sanctions had not been applied by some nations who were committed to applying them. That is happening right now. American Airlines and Canadian commercial airline flights have been suspended. We hope the French airline flights will also be suspended. This will leave the Haitian people seriously isolated and will exert enormous pressure on the military.

In addition, I believe that we, the friends, should accept the idea that one cannot corner the enemy all the time. He should be given a way out. There has been talk of this lately; that is, not to just threaten them, to put their backs against the wall, but to give them a way out of the country and someplace to go. That is what the Group of Friends should be working toward at this time when there is a lot of tension because people are speculating about an immediate action against that country. We should remember that there is still room for negotiation.

Regarding an Inter-American force—this is a theory that has been discussed—Venezuela does not favor it. In fact, we would reject it, because an Inter-American force means an armed wing of the OAS. All our nations have always feared an OAS armed wing. We believe that a multilateral action, no matter how good the intentions, would end up being unilateral. A unilateral action is totally contrary to the principles of a nation such as Venezuela that does not want this precedent set as a policy, as a tool of international policy in our world.

Our solution is in the policy that we, the friends of Haiti, hold. There are no differences here. Some are perhaps in more of a hurry than others, but we all agree on the solution. The solution is for democracy to be reestablished. For Haiti to have durable democracy it needs the immediate, precise, and decided assistance of the whole region. Remember that Haiti is the poorest nation with the highest level of illiteracy. This is a country that has used up 98 percent of its forest reserves with its 7 million inhabitants living on 27,000 square kilometers. Most of these lands are currently unproductive and deforested. We must give 7 million people the chance to live in their own territory. They need an education; they need health services; they need jobs; they need justice. This is a responsibility that we, the nations of the hemisphere, are not meeting.

The U.S. secretary of state wrote a letter in which he set out the need for Venezuela to cooperate in the refugee problem. At the end of that letter, he admitted that we have not gotten to the bottom of the Haitian problem. I took advantage of this to comment to him that Haiti has been occupied before, and it has always emerged in a worse state than before. The American community has had every opportunity to demonstrate its generosity and philanthropy toward Haiti, but it has not done so. This drama that today is the most disturbing in our entire region should cause the nations of America to turn their eyes toward a noble nation which, in its time, not only turned its eyes toward but extended its hand to Venezuela.

Iranian Embassy Investigated Regarding Islamic Cells

PA2307165194 Madrid EFE in Spanish 1915 GMT 22 Jul 94

[Text] Caracas, 22 Jul (EFE)—The Venezuelan Foreign Affairs Ministry is investigating the possible participation of the Iranian diplomatic mission in Caracas in the

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creation of "Islamic fundamentalist cells" in Venezuelan territory, the Caracas press reported today. Although the goal of these cells is apparently not very clear, they are a matter of concern for Venezuelan authorities, the sources said.

According to several reports published today in Caracas newspapers, certain diplomats expelled from the country this week by the Venezuelan Government, including Iranian Ambassador Seyyed Reza Zargarbashi, promoted the activities of these cells. The expulsions took place after Iranian diplomats attempted to kidnap a fellow citizen who opposes the government in Tehran and who has been living in Venezuela under the protection of the UNHCR [UN High Commissioner for Refugees]. In turn, Ambassador Zargarbashi made certain statements the Venezuelan Government described as "unacceptable," was declared "persona non grata," and was forced to leave the country.

This diplomatic conflict has created fear about possible repercussions at OPEC, an organization in which both Venezuela and Iran are members. Recently, the two nations vied for the OPEC Secretariat General in elections that were postponed until year end.

The Venezuelan Government has denied that this incident could affect relations between the two countries within OPEC, but official spokesmen quoted by the press today warned about other "not very diplomatic" duties the Iranian Embassy was conducting in recent months. These duties could be related directly to Islamic fundamentalist cells that have not yet acted in Venezuela, but are being established in Islamic centers throughout the entire country.

A Foreign Ministry spokesman, who requested anonymity, voiced his concern over this matter, warning: "We must recall that the Iranian Government subsidizes attacks on Israel by the Hezbollah (Party of God) terrorist group."

The press has also linked, although indirectly, Monday's attack against a Jewish institution in Argentina and Tuesday's possible bomb attack on a plane carrying dozens [as received] of Jewish businessmen in Panama with the fact that one of the suspects arrested in these cases was heading to Caracas.

EL DIARIO DE CARACAS reported today that "local observers have found links between the two attacks—the arrest of an Iranian citizen who was planning to travel to Caracas from Argentina, and the presence of the man's wife in Panama." The newspaper added that these observers "fear that Venezuela could be the next terrorist target" because of recent diplomatic problems and the increasing dissemination of reports on the possible creation of Islamic fundamentalist cells in this country.

Andean Pact Officials Support Caldera's Measures

PA2207134994 Caracas Union Radio Network in Spanish 2200 GMT 21 Jul 94

[Report by Vicente Briceno from the "Union Radio News" newscast—passages within quotation marks recorded]

[Text] The commerce and economy ministers of the Andean Pact have given their support to the measures adopted by the government of President Rafael Caldera. The ministers endorsed the measures because the measures are temporary and are designed to help correct the distortions created by the economic crisis.

The president of the Cartagena Agreement Commission and the Andean Pact commerce and economy ministers announced their support following a luncheon hosted by President Rafael Caldera in which Development Minister Alberto Poletto explained the macroeconomic measures being implemented in our country.

The president of the Cartagena Agreement Commission, Mario Reyes Chavez, said he is optimistic that Venezuela will soon resolve its situation, adding that he was encouraged by the temporary nature of the measures.

Meanwhile, Juan Manuel Santos, Colombian vice president and economy minister, said Venezuela has the complete support of Colombia and the rest of the Andean Pact in promptly overcoming this situation. According to him, the decisions that have been adopted will not adversely affect the Andean Pact, the Group of Three, or regional integration agreements.

[Santos] "The system of applying price controls is a correct, intelligent move, because in the long run it will not lead to the distortions that have taken place in other countries. We believe this action is appropriate."

Likewise, Jose Vicente Maldonado, Ecuadoran industry, commerce, and integration minister, pointed out that integration can play a fundamental role in the process of stabilizing Venezuela's economy.

[Maldonado] "We maintain the same faith and confidence the Venezuelan people have in believing they will overcome the current crisis, and that the measures being adopted to modernize the state, to face the fiscal deficit, and to correct the series of distortions in the Venezuelan economy will yield the results the Venezuelan Government expects—namely, the appropriate stabilization of the Venezuelan economy, which Venezuela requires for its development."

The Peruvian alternate representative, Eduardo Brandes, said his country clearly believes the Venezuelan situation can be overcome with the measures that have been applied.

[Brandes] "I would like to point out that we support the measures being implemented. We respect the agreements that have been signed within the Andean Pact. We

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especially emphasize the temporary nature of the measures. Peru has been and is still living through a very serious economic crisis, and it hopes Venezuela will also be successful in its struggle."

Finally, Development Minister Alberto Poletto talked about the extent of the Cartagena Agreement meeting in Caracas.

[Poletto] "I believe we will achieve important progress in the area of common external tariffs, because we prefer to have a common external tariff that includes 90 percent of the products rather than not have anything at all."

The economy ministers of the Andean Pact are in Caracas to attend the Cartagena Agreement meeting, which will study the common external tariff and other topics of interest for the region's integration.

Caldera Suspends Guarantees Reinstated by Congress

PA2207195094 Paris AFP in Spanish 1758 GMT 22 Jul 94

[Excerpts] Caracas, 22 Jul (AFP)—By means of a decree, a copy of which has been obtained by AFP, the government of President Rafael Caldera has once again suspended the five constitutional guarantees reinstated last night by the Venezuelan Congress.

The constitutional guarantees at issue are those individual rights related to arrest without court order, house searches, free movement of individuals and goods, economic rights associated with private property, and appropriations of property for public use.

A sixth guarantee related to free will as relates to profit-making activities was left undisturbed by Congress.

The steps taken today by President Caldera, who has been in office since 2 February, also ratified the decrees related to exchange and price controls, "unrestricted" supervision of the banking system, as well as those related to appointments of the respective financial and exchange board supervisory boards. [passage omitted]

Caldera's decree stresses: "The problems that prompted the crisis in the financial system and the instability in the exchange market have not disappeared, and difficulties still exist in the supply of goods, which require maintaining the emergency measures adopted by the executive branch."

The decree adds: "Deterioration of economic stability dangerously affects political and social order and disrupts the peace throughout the Republic, the maintenance of which is the state's social responsibility."

In turn, the decree stresses: "Emergency measures are required to reestablish normalcy throughout national territory, and for this reason it is necessary to maintain the suspension of the constitutional guarantees."

Speaks on Guarantees Suspension

PA2307005394 Caracas Radio and Television Networks in Spanish 2330 GMT 22 Jul 94

[Speech by Venezuelan President Rafael Caldera at Miraflores Palace in Caracas—live]

[Text] It is my duty to announce to the country that today at a special meeting of the executive cabinet, it was decided to once again suspend the constitutional guarantees that Congress decided to restore at a session held last night, a decision of which we were officially informed this morning.

We are not happy about taking this measure. During my first term in office, I governed five years without suspending guarantees for one single day of the constitutional period. On the other hand, President Romulo Betancourt practically kept guarantees suspended for his entire term in office, and I supported him fully because I deemed it indispensable to strengthen institutions and to get Venezuela back on its feet.

The Betancourt administration managed to stabilize Venezuelan democracy and to give strong momentum to the national economy.

Under the present circumstances and given the seriousness of the economic crisis, the repercussions of the crisis in the financial system have had an impact on a situation that was already considered to be a political and social crisis. It is our duty to face this, and we are acting within the constitutional framework. The Constitution has rules for normal situations, but it also has very effective provisions for abnormal situations. We have been forced to resort to these provisions because I promised the country I would preside over a government that governs. The country elected me to face the crisis, and it would be irresponsible of me not to act in accordance with the seriousness of the situation. It will undoubtedly become more dangerous each time if it is not handled properly.

At the Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] Assembly, I said that a mafia in the banking system had created an unstable situation. It never occurred to me to call nor did I ever call all members of the banking system mafiosi. I called bankers who abused public credit mafiosi, those who abused the confidence of Venezuelans for personal profit.

We are now beginning to discover what is behind this mafia network. The attorney general has begun to take preventive measures to confiscate properties, actions that will be handled by the judicial authorities. These properties were made to appear in such a way as to escape the control of Venezuelans. With the country's money, with the people's money, with state money, they attempted to use those properties for their personal benefit through a series of maneuvers that have been discovered by intervention officials at banks. It would be disastrous to interrupt this task, this much needed and

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important task, to reestablish constitutional guarantees. It would be a measure in favor of those who have enjoyed public confidence and who have abused collective rights.

The suspended guarantees have meaning and importance. When the right to property is suspended, no one should think that we intend to expropriate much less confiscate Venezuelans' properties. We want to be able to secure for public interests the rights that have been violated. The guarantee of property in the hands of hoarders or thieves, who tried to take property that did not belong to them, would be a harmful and noxious guarantee. The suspension of this guarantee is intended to prevent such abuses from continuing.

The suspension of freedom of transit is not intended to prevent Venezuelans from moving about. This guarantee has been suspended, and we have never disturbed peaceful citizens who travel from one point to another within or outside the country. It is necessary, however, to restrict, suspend this guarantee to prevent the violation of foreign exchange control, which is indispensable for the preservation of our international wealth and the defense of our currency. It is also necessary to restrict it so more appropriate methods of fighting drug trafficking and the departure of indispensable properties through speculation and hoarding can be utilized.

The suspension of the inviolability of the home is intended to permit raids aimed at preventing hoarders from withdrawing staples from stores. Hoarding entails not only keeping a certain quantity of products in a store but stopping trade or selling only very small quantities of articles used in everyday commercial activities. These articles, essential for life, are maliciously withdrawn from trade with the intent of bringing them out at a later date and selling them at unjustified prices. The suspension of the other rights is intended to preserve and strengthen normalcy and to give the public administration instruments to prosecute those who scoff at public rights. Only detentions deemed essential will be made. The truth is that during the time that rights have been suspended, society in general has experienced greater tranquility and normalcy. The effectiveness of these decisions has been felt.

We have sent Congress proposals for laws that are indispensable to making action against violations of consumers' rights more feasible and pertinent; taking the measures that the financial emergency demands; preserving the financial system, which is still experiencing critical situations that it is the government's duty to prevent; and establishing penalties and adequate procedures to attack exchange-related offenses. Otherwise we would stimulate black market exchange and cause the economic system to fail, as some would have it, because the country's good, which we defend, is not good for their own interests. The truth is that Congress itself has understood that the present laws make it virtually impossible to face the current situation. For this reason the delegate commission has called for special sessions to hear these proposals, the approval of which will substantially improve things and open new paths toward understanding.

We do not want a conflict of powers. We do not want Venezuelan democracy to set an example of pugnaciousness between the legislative and judicial branches [as heard]. Understanding has always allowed delicate situations to be resolved. For instance, when the Congress decided to give us a special powers law, it admitted that a tax reform program was essential and gave us the instruments necessary to implement the program. It allowed us to issue a decree with a law in which we have great hopes and for which we have an excellent outlook. This law provides for the construction of great projects through the grant system.

Consensus has allowed problems to be resolved expeditiously. When a crisis was created by the resignation of the Central Bank president, an agreement was reached very quickly between the legislative and executive branches to appoint a new Central Bank president. These agreements are essential and the people demand them.

We work for the people, and we are sure we have the Venezuelan people's trust and support. I am willing to call a national consultation, a consultative referendum, so the people can say whether the measures we have taken are good for them and for the good of all, as well as for Venezuela's salvation. We are waiting for this cooperation, which is essential.

I have a duty and I assume my responsibility, but the crisis belongs to everyone and the solution is everyone's responsibility.

We need harmony; we need the support of the entire country; we need understanding. Political groups must understand we are not taking partisan positions. We are not defending points of honor. We are defending the interests of Venezuela.

With God's help, the government and people united shall overcome. Venezuela requires it, and that is our guide. We struggle and work for this necessity.

Congress President on Renewed Suspension

PA2207234394 Caracas Union Radio Network in Spanish 2200 GMT 22 Jul 94

[Report by Maria Lilibeth Da Corte; from the "Union Radio News" newscast]

[Text] According to Congress President Eduardo Gomez Tamayo, the government's decision to resuspend constitutional guarantees undermines relations between the legislative and executive branches. Congress President Eduardo Gomez Tamayo has added in addition to undermining relations between both state branches, the problem caused by the suspension of constitutional

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guarantees is the result of a lack of communication and information from the executive:

[Begin Gomez recording] We are having problems of communication. The executive branch has failed to give a convenient, timely, and appropriate explanation of this measure, and parliament requires and demands this information; this is necessary. I believe things would be different if there were better communication and dialogue with the executive branch. [end recording]

Gomez has affirmed Congress should have been informed, at least as a courtesy, of the reasons to suspend the guarantees. Gomez has added this situation could call for the creation of the position of liaison executive-legislative minister to avoid similar situations in the future.

Congressmen View Renewed Suspension

PA2307013794 Caracas Union Radio Network in Spanish 2200 GMT 22 Jul 94

[From the "Union Radio News" newscast]

[Text] Opinions expressed by congressmen after the resuspension of constitutional rights include recommending prudence in government decisions, taking action in accordance with the Constitution, respecting Congress's decisions, and considering the possibility of a split between the executive and legislative branches.

COPEI [Social Christian Party] Senator Haydee Castillo de Lopez recommended that the national government act prudently to preclude a constitutional conflict between the executive and legislative branches. She said the country's situation does not lend itself to this kind of game.

[Begin Castillo recording] Venezuela's existing legal mechanisms permit the following: control of exchange through the Central Bank Law; price control through the Consumer Protection Law; assistance for and attention to the financial emergency, including confiscation of property; and the monitoring of, through registries and notaries, the transfer of assets that could take place at banks involved in the intervention and under the Venezuelan Government's supervision. For these reasons, I believe prudence and a concerted effort between the government and political parties are required. [end recording]

AD [Democratic Action] Deputy Carlos Canache Mata said that although he did not support AD's decision to repeal the decree suspending rights with the exception of Article 96, he will obey the decision as a member of the legislature and the White Party.

[Begin recording] [Canache] In accordance with the instructions given to the Congress faction, I voted yes to repeal the decree.

[Unidentified reporter] Why did you disagree with the party's decision?

[Canache] Because I believe that the factors which necessitated the suspension of rights still exist. I would even say those factors are more serious. But because I am a disciplined AD member, I will obey the decision made by the National Directorate. [end recording]

MAS [Movement Toward Socialism] Senator Segundo Melendez said the executive has not violated the Constitution by resuspending rights. He added, however, that a better relationship and better communication between Congress and the government are necessary.

[Begin Melendez recording] No doubt, this contradiction implies problems in the relationship between the majority in Congress and the executive. There is no need for a conflict of powers, however, because these decisions have been made in the framework of the Constitution and the law. [end recording]

Ministers Support Decision

PA2307172694 Caracas Venezolana de Television Network in Spanish 1600 GMT 23 Jul 94

[From "The News" newscast—speakers identified by captions]

[Text] Members of the executive branch have reacted to President Rafael Caldera's national address. They said the suspension of the constitutional guarantees are necessary.

[Begin recording] [Transportation and Communications Minister Ciro Zaa] We need to maintain the measures the government adopted. In fact, in the days that followed the suspension of the guarantees, developments proved that we were right. This is why we urge the congressional majority, which adopted a decision yesterday that runs counter to the suspensions, to understand that, in order to bring the country out of the terrible crisis it is facing, we must support the measures the government has adopted.

[Family Minister Mercedes Pulido de Briceno] I think we have shown in Venezuela, and for some time now, that we are capable of handling ourselves within the constitutional framework by making innovations. These innovations are necessary if we really want to protect the people and rule for them.

[Defense Minister Rafael Montero Revette] The Armed Forces support the decision made by the president of the Republic during this morning's Council of Ministers meeting. We will continue to conduct intelligence work and raids against those who are hoarding basic staples the people need.

[Labor Minister Juan Nepomuceno Garrido] Today it is even more necessary to maintain the suspension, because things cannot be left half-done; we cannot have incomplete tasks. We must complete our work. If we are determined to clean up the financial system, restore trust in the country's economy, and prevent hoarding and

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profiteering as much as possible, we must conduct this struggle until the very end. [end recording]

Meanwhile, Congress President Eduardo Gomez Tamayo said the decision made by the chief executive has created an awkward situation between the two branches of state. He added that there is a need to hold talks to overcome this situation, which in no way benefits the nation.

[Begin Gomez recording] Instead of improving relations between the executive and legislative branches, this actually pushes them apart and creates tension between them, because it now seems there are certain inconsistencies between the two branches. I think the country needs a dialogue to reach an agreement. [end recording]

Interior Minister's Remarks

PA2407033694 Caracas Union Radio Network in Spanish 0200 GMT 24 Jul 94

[From the "Union Radio News" newscast]

[Text] During his speech at the special governors meeting, Interior Minister Ramon Escovar Salom reiterated the government does not want a confrontation with Congress:

[Begin Escovar recording] The government does not want a confrontation with Congress; on the contrary, we want to reach an understanding and improve relations between the state branches. There is no desire to enter into a confrontation with Congress.

I, as interior minister, am determined to seek mechanisms of reconciliation and understanding, because they are indispensable in confronting the country's crisis, something which we want to do. The country cannot be divided; it must unite behind President Caldera's leadership to face the national crisis. [end recording]

Escovar briefed the governors on why the executive has suspended the guarantees:

[Begin Escovar recording] Conditions have not changed, and thus, guarantees must remain suspended. As Congress approves the laws that will permit the government to act, we will be able to shorten the suspension of guarantees. The government wants this to be a temporary and brief measure, but this will depend on the speed with which the laws are approved. There is a legal vacuum that does not allow the government to have instruments to face the crisis. There was no precedent in Venezuela on a crisis of this magnitude. The government does not have the means to face this crisis, and the only way to do so was by suspending the guarantees. This reason is why most people support the suspension of guarantees, as you, media reporters, can easily confirm through a poll. [end recording]

Governors Support Suspension

PA2407040694 Caracas Union Radio Network in Spanish 0200 GMT 24 Jul 94

[From the "Union Radio News" newscast]

[Text] State governors have expressed support for President Rafael Caldera's decree suspending constitutional guarantees. Tachira State Governor Francisco Ron Sandoval, the virtual new president of the Governors Association, made the statement during the Governors Association Assembly being held in Barquisimeto:

[Begin Ron Sandoval recording] There is no question about it. I believe the suspension of certain economic and political guarantees—I have said this publicly in my region—has been appropriate for the moment we were experiencing, because the country was falling apart before our very eyes. I believe this has been like putting a plug in the crisis so as to make us all reflect upon the situation. I believe we must stay united and place the interests of Venezuela before individual or party interests. I believe the country must come first. [end recording]

Poll Reveals Rejection of 'Self-Inflicted Coup'

PA2207223294 Paris AFP in Spanish 2052 GMT 22 Jul 94

[Text] Caracas, 22 Jul (AFP)—According to the results of a Mercanalisis firm poll released in Caracas today, 58 percent of Venezuelans would reject a "self-inflicted coup" by President Rafael Caldera with the dissolution of Congress, and 35 percent would support him.

The poll was conducted following the first confrontation between Caldera and Congress, which last night reinstated five constitutional rights suspended by the president on 27 June to face the country's financial crisis, which he resuspended at noon today.

The poll was conducted among 1,000 people in Caracas and seven other Venezuelan cities, 2 percent of whom said they were "indifferent," and 5 percent of whom said "neither one nor the other."

In addition, 62 percent of the Mercanalisis pollees said they would reject a military uprising by Commander Hugo Chavez, who on 4 February 1992 led a military rebellion against now imprisoned former President Carlos Andres Perez. Chavez has become a critic of Caldera despite the fact that the president granted him amnesty three months ago.

Another 29 percent said they would support a Chavez uprising, 4 percent said "neither one nor the other," and 5 percent did not answer.

As for former President Perez (1974-1979 and 1989-1993), who was imprisoned and tried for alleged misappropriation and embezzlement of $17.2 million in state subsidy funds, 60 percent agreed that he should remain in prison "because he is a corrupt person or a thief;" 18 percent "because of the harm he did the country;" 11 percent because "he must pay for his crime" or "be punished for his offense;" 3 percent so "the people will see there is justice" or "punishment;" and 2 percent said the former president must be investigated. Asked to what extent they agree with Perez being kept in prison, 44

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percent said "very much," 25 percent said "considerably," and 8 percent said "little." Perez, who will turn 72 in October, yesterday asked the Supreme Court of Justice, which is handling his case, to grant him house arrest, a consideration that Venezuelan law grants people over 70 who must serve time.

Caldera Offers To Resign If Referendum Unfavorable

PA2407215794 Madrid EFE in Spanish 1928 GMT 24 Jul 94

[Text] Cartagena de Indias, (Colombia), 24 Jul (EFE)—Venezuelan President Rafael Caldera admitted today that he will resign if the referendum he intends to hold is unfavorable to him.

"The results would force a resignation," the Venezuelan president stressed when referring to Humberto Celli's petition that if the referendum does not favor Caldera he should resign. Celli is president of the Latin American Parliament and is also a Venezuelan congressman.

Caldera added, however, that "if the results are favorable," then Congress "should prepare for new elections."

The Venezuelan president held a news conference in connection with the creation of the Association of Caribbean States (ACS) in Cartagena de Indias (Colombia).

Caldera defended the referendum and said it could be a "consultative type," which would be to ascertain "the country's opinion on appropriate topics," or another type to "ratify certain documents, laws, or treaties of special significance." The third type of referendum would be "to annul legal conditions that go against the national will," and the last type would be "to eliminate publicly elected officials" who have strayed from their responsibilities.

"If Congress takes the constitutional reform responsibility seriously, the referendum will be of enormous importance in complementing representative democracy with participative democracy."

During the same news conference, Caldera rejected an invasion of Haiti and said "we do not back such an action even under a multilateral organization."

Caldera believes that in this case "all options should be exhausted" and underscored that "Venezuela has traditionally not supported any type of forceful imposition."

The Venezuelan president urged "moral and political actions" so Haiti can "return to the democratic system."

Reiterates Proposal for Referendum

PA2507044494 Caracas Venezolana de Television Network in Spanish 0300 GMT 25 Jul 94

[Text] President Rafael Caldera reiterated in Cartagena de Indias his willingness to call a popular referendum so the Venezuelan people themselves can decide whether constitutional guarantees should be suspended to fight financial crimes and to protect the country's economic stability.

[Begin Caldera recording] The country demands an in-depth investigation, that all property swindled by the boards of directors of certain banks be returned if at all possible, and that essential restrictive and repressive rules be applied against those who violate currency exchange laws, hoard, or hike the prices of essential food items.

There have been differences of opinion between the national government and the majority in Congress, but I hope this does not turn into an absurd fight. I hope Congress realizes that this is why we have made the proposal to carry out a national referendum, a consultative referendum for the country to say, for the Venezuelan people to decide whether they agree with the measures adopted by the national government. [end recording]

Regarding the free trade agreement and the creation of the Association of Caribbean States [ACS], Caldera said that this means a step toward the integration of the old Caribbean Basin colonies with the Latin American world.

[Begin Caldera recording] The treaty creating the ACS includes the cultural, educational, and technological aspect, which we feel is extraordinarily important. In this connection, I would like to express a desire: I would like Spanish to be the second language in those Caribbean countries where Spanish is not spoken. I would like this language to become more and more prevalent to ensure better understanding. [end recording]

Study Reveals $4.5 Billion in Money Laundering

PA2307005094 Paris AFP in Spanish 1712 GMT 19 Jul 94

[Text] Caracas, Jul 19 (AFP)—A study prepared by the Institute of Higher Studies for National Defense, IAEDEN, that was revealed in Caracas this Tuesday indicates operations to legitimize money resulting from drug trafficking activities in Venezuela total more than $4.5 billion.

According to the calculations on which this study is based—it uses the system of the U.S. DEA [Drug Enforcement Administration]—the minimum amount of money laundered in Venezuela is $4.5 billion, but its maximum potential is $21 billion a year.

Venezuelan Judge Mildred Camero, who has investigated several cases of money legitimized in the real estate market recently, has said approximately $14 billion were laundered, in the areas of real estate and construction only, in 1993.

Observers agree such reports are not outlandish if you consider that luxury apartments in highbrow areas of

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Caracas are being sold in dollars and at prices higher than ones demanded for similar apartments in cities such as New York.

Leyda Briceno, author of the IAEDEN investigation, concurs that although those revenues are basically moved through purchase-sale operations in real estate, transactions are also made in precious minerals, art works, vehicles, shares, bonds, securities and stock, simulated loans, and forged invoices, among others.

The study indicates money laundering in Venezuela has increased, because Colombian authorities are pressuring the drug cartels in that country, and this pressure has forced them to move to new and "more peaceful" places.

According to a U.S. Government report, money laundering worldwide amounts to $800 billion a year, half of which comes from drug trafficking activities.

The nine areas more inclined to "money laundering" activities are the United States, Canada, the Cayman Islands, the Bahamas, Bermuda, Panama, Jamaica, the Lesser Antilles, and Venezuela.

Minister Rules Out Moratorium on Debt Payments

PA2307143394 Paris AFP in Spanish 2055 GMT 20 Jul 94

[Excerpts] Caracas, 20 Jul (AFP)—Venezuela, which is implementing an economic stabilization plan designed to increase the number of taxpayers and promote privatization, has ruled out a moratorium on its foreign debt payments, Finance Minister Julio Rosa Rodriguez said Wednesday.

This year, Venezuela must pay $4.5 billion of its refinanced public debt, which is estimated at $27.105 billion.

"The country is reviewing the possibility of complying with all of its international debt obligations whether they involve financed or unfinanced debt," Sosa Rodriguez said.

"I am not going to deny, however, that at this time, because of a number of circumstances, if we were to place bonds on the market, we would perhaps face some difficulties. I believe, however, that because of the financial situation we will have to place some bonds on the market within the next three months," Sosa Rodriguez said.

"We should be able to do this without great difficulty, and even if we cannot do it, we would still rule out a moratorium," he said.

On 27 June, the government of President Rafael Caldera implemented exchange rate and price controls with "unlimited" supervision of banks along with the suspension of individual and economic constitutional guarantees. [passage omitted]

Finance Minister Sosa Rodriguez announced that new taxes on wholesale purchases and on the purchase of luxury items will be imposed on 1 August. The number of taxpayers in these two areas could be increased by 12.5 percent and 30 percent, respectively. New taxes on automobiles also are being considered.

With the new taxes on wholesale purchases and luxury items, the government hopes to collect $1.6747 billion (300 billion bolivares) and hopes to collect another $647 million (110 billion bolivares) following the latest oil price increases.

The measures also include the merging of ministries in an effort to "simplify the functions overseen by the state," according to Deputy Presidency Minister Fernando Luis Egana.

According to unofficial reports, before intensifying the privatization process, the Venezuelan Government will seek to reform the law to allocate as much as 100 percent of privatization revenues to the payment of the foreign debt and to implement other mechanisms to exchange the debt for investments.

The implementation of control mechanisms in Venezuela stirred up concerns about the fulfillment of its trade agreements, especially with neighboring Colombia.

Upon his return from Santa Fe de Bogota on Tuesday, Venezuelan Development Minister Alberto Poletto said the Caracas government will overcome obstacles that could hinder bilateral trade. "The two governments will adopt the necessary mechanisms to prevent the areas of trade and investment from becoming adversely affected," he pointed out. Poletto was in Colombia heading a delegation of Venezuelan businessmen in an attempt to increase the level of trade with their Colombian counterparts.

Council of Ministers Approves Emergency Bill

PA2207130894 Caracas Union Radio Network in Spanish 2200 GMT 20 Jul 94

[From the "Union Radio News" newscast]

[Text] The Council of Ministers today approved the bills regulating the financial emergency and foreign exchange system, which establish four to eight-year prison sentences for anyone engaged in irregularities that violate the new foreign exchange system.

Minister of State Guillermo Alvarez Bajares, director of the Central Information Office, made the announcement at Miraflores Palace when reporting on the topics discussed at a cabinet meeting.

The Foreign Exchange Law mandates two to four-year sentences for anyone importing or exporting coins or bills from foreign banks, or any other form of payment using money orders or credits issued in foreign currency.

The law also establishes the same sentence for purchasing or selling foreign exchange; deceptive investments, obligations, imports, or exports; altering invoices;

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and presenting false financial reports which do not reflect the real situation or which are viewed as a fraudulent maneuver.

The same sentences will be applied to anyone using foreign exchange for any purpose other than the one for which it was granted, or anyone not complying with the obligation to sell or deliver foreign exchange to the Central Bank of Venezuela.

[Begin Alvarez recording] When the aforementioned crimes involve foreign exchange exceeding 300 times the minimum wage in national currency [300 salarios minimos en moneda nacional], the sentence will be from four to eight years. Of course, the foreign exchange will be confiscated in addition to a fine. The sentence will be increased by as much as one-third when the crimes are committed through or for the benefit of banks, foreign exchange houses, and other financial institutions. In these cases, the individuals who actually serve as managers of the institutions will be punished, as well as the individuals to whom they report, if they were aware of the action, or government officials who collaborate, serve as accomplices, or cover up the activity.

An important point is that under no circumstances will individuals accused of the crimes mentioned in this law receive the benefit of being released on bail or other benefits stipulated in the Law of Benefits in the Penal Process. Moreover, they will not be entitled to any benefits under our penal laws. [end recording]

These instruments were presented to Congress on the afternoon of 20 July.

Alvarez also confirmed that President Caldera will travel to Cartagena de Indias, Colombia, on Sunday, 24 July, to attend the inauguration of the Association of Caribbean States. He is expected to return that same day and be present at the ceremony commemorating Navy Day and Liberator Simon Bolivar's birthday.

Alvarez confirmed that on Wednesday, 27 July, President Caldera will inaugurate the First Convention of Governors of this administration, which will be held at the White Palace.

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